

LEARNING IN FOREIGN POLICY:
THE CASE OF U.S. DEVELOPMENT ASSISTANCE, 1982-1992

By

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To my wife, Kim, who has stood by me
in patient love and friendship.

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TABLE OF CONTENTS

	<u>page</u>
ACKNOWLEDGEMENTS.....	iii
TABLE OF CONTENTS.....	v
LIST OF TABLES.....	vii
ABSTRACT.....	viii
 CHAPTERS	
1 THE INTERNATIONAL SYSTEM, STATE LEARNING, AND FOREIGN POLICY.....	1
The International System and Foreign Policy	
Goals.....	4
The Nature of the State System.....	6
The Nature of Nation States.....	9
Systemic Context and State Behavior.....	10
State Goals and State Learning.....	16
Choice and Outcomes.....	19
Systemic Effects and State Learning.....	28
State-Centric Considerations of State Learning.....	31
Psychological/Cognitive Approaches to Learning.....	35
Overview to the Analysis of U.S. Development Assistance Policy.....	39
2 U.S. FOREIGN POLICY AND DEVELOPMENT ASSISTANCE....	40
System Structure, Patterns of Continuity, and U.S. Foreign Policy.....	41
Means and Ends: U.S. Foreign Aid and U.S. Foreign Policy.....	45
The Cold War and the Truman Doctrine.....	46
U.S. Foreign Assistance Policy Since World War II.....	56
The Mutual Security Act Period (1951-1961)...	61
The Foreign Assistance Act Period (1961-Present).....	65
Cold War II: The Reagan Doctrine.....	70

	The End of the Cold War: New World Order.....	73
	Political Ramifications of U.S. Foreign Aid.....	76
	Concluding Remarks.....	79
3	RESEARCH DESIGN: STATE LEARNING AND THE FOREIGN- POLICY MODEL OF U.S. DEVELOPMENT ASSISTANCE.....	82
	Statement of Research Questions.....	85
	Research Design: Analyzing Relations Over Time....	89
	Definition of Concepts.....	94
	Policy Interests in Aid Transfers.....	100
	Threats to Validity.....	108
4	ANALYZING U.S. ODA-RECIPIENT RELATIONSHIPS.....	116
	Hypotheses.....	118
	Statistical Analysis.....	124
	Bivariate Correlations.....	126
	Regression Analysis.....	131
	Regional Variations.....	142
	Overview: The Changing Context of U.S. ODA Policy.....	155
5	CHANGING COURSE: PROSPECTS FOR A.I.D. AND U.S. ASSISTANCE POLICY.....	159
	Learning and Foreign Policy in a Changing International Environment.....	161
	The A.I.D. Mandate in a New Global Context.....	170
	Impediments to Restructuring Assistance Policy.....	174
	Defining the Mission of A.I.D.....	189
	Matching Means and Ends: Changing Assistance Policy.....	205
6	CONCLUSION: CONTINUITY, CHANGE, AND LEARNING IN FOREIGN POLICY.....	217
	Continuity and Change in Foreign Policy Perspectives.....	220
	REFERENCES.....	228
	BIOGRAPHICAL SKETCH.....	242

LIST OF TABLES

<u>Table</u>	<u>page</u>
4.1 Correlation Matrix: U.S. ODA and Recipient Profile Characteristics.....	127
4.2 Regression Matrix: U.S. ODA and Recipient Profile Characteristics.....	133
4.3 Period Comparisons Correlation and Regression Matrices.....	139
4.4 U.S. ODA to Egypt and Israel 1982-1992.....	144
4.5 U.S. ODA to Africa and Latin America.....	147
4.6 Period Comparisons Correlation and Regression Matrices U.S. ODA and African States Profile Characteristics.....	150
4.7 Period Comparisons Correlation and Regression Matrices U.S. ODA and Latin American States Profile Characteristics.....	154

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This dissertation examines the relationship between the structure of the international state system and the foreign policy objectives of state governments. Through an investigation of U.S. development assistance policy, this study focuses on the ability of states to learn in response to systemic changes. Learning is conceptualized as the effective reassessment of policy goals and means as a result of the state's policy makers' comprehension of external change. Policy change results when conditions in the external environment are no longer compatible with the policy makers' objectives and they act to reduce the distance between those conditions and their objectives. Change in the structure of the system is signified by the disruption of established patterns of behavior among states. Learning in foreign policy is evident if redefined objectives represent realistic

appraisals of the external environment and if policies reflect those objectives.

This study examines U.S. development assistance policy in order to see if U.S. policy makers have changed the direction of U.S. foreign policy in response to ending of the Cold War. The hypothetical issue is whether in light of the absence of superpower competition U.S. policy makers have changed the rationale behind Official Development Assistance (ODA) transfers. Development assistance has been an integral component in U.S. foreign policy. The changing security interests of the U.S. should be reflected in the patterns of U.S. ODA commitments. In looking for policy changes, this study attempts to reveal whether U.S. ODA commitments are statistically relative to humanitarian, economic, or security profiles of recipient states. Although correlation and regression analyses confirm the empirical linkage between security interests up to 1989, the statistical evidence does not support the hypothesized shift toward either humanitarian or economic interests after the Cold War. Recognizing that learning is a process that involves both external and internal factors, this study examines the current reformulation of U.S. development assistance policy and suggests that those processes mirror the larger dynamic of defining U.S. interests in the context of an international system in transition.

CHAPTER 1
THE INTERNATIONAL SYSTEM, STATE LEARNING, AND FOREIGN POLICY

Politics among states are changing profoundly in the late 20th Century. The changes tax the abilities of statesmen and analysts to understand the conditions they face.

International change, conversely, serves as an impetus for adaptation of state behavior. Whether leaders are able to understand the changes they face is an important theoretical, empirical, and practical question. Their apprehension of changing conditions is thus important given the political, economic, or social costs involved when they make decisions which affect their citizens and those of distant states.

In this study we will look at an issue-area of U.S. foreign policy--foreign assistance--in order to see if policy change reflected changing systemic conditions. The central question to be addressed is whether U.S. policy makers reassessed their long-standing goals in light of the profound changes that occurred. Our concern is directly connected to the theoretical issue of the state's ability to learn about and adapt to its environment. As politics in the international system passes from one era to another, the issue of state learning becomes important because states often do not have the luxury of experimentation to see if their policies will be

successful. Often by trial and error leaders determine the fitness of their goals and strategies. Failure to learn can be costly.

U.S. foreign assistance has endured for more than four decades, pursuing a diverse array of goals concerning almost every developing state in the international system. An analytical problem in the study of U.S. foreign aid has been the inability of researchers to discriminate between the periodic redefinitions of U.S. assistance programs and the long-term directions of aid flows. The objectives of American foreign policy in the postwar era were distinct in relation to U.S. objectives in previous eras. With the end of the Cold War era the question about state goals and foreign aid becomes more relevant. Moreover, with the transformation of the international system, states are presented with new challenges that require actions based upon new definitions of problems and solutions.

Foreign policy change is dependent upon conditions in both the internal policy-making processes and in the international environment to which it responds and toward which it is directed. This study examines the relationship between these two environments in order to determine whether policy reflects a close interdependence between them. State learning is reflected in policy change if that change demonstrates adaptation to circumstances in the external environment along with productive means for addressing them.

Through an examination of foreign aid policy this study attempts to illustrate how factors in both the internal and external environments can affect the state's abilities to recognize conditions, develop policies to respond to them, and effectively implement those policies.

In this chapter we consider several important questions. First we examine the state system and some of its prominent characteristics that differentiate it from other phenomena in societal organization. We briefly review the nature of the state as an actor in world politics and consider the linkage of systemic context to the patterns of state behavior. We then assess the connection between state foreign policy goals and state learning. We define the parameters of state behavior that reflect learning, looking particularly at the connection between choices and outcomes. We compare some of the prominent analytic approaches to state learning and contrast their conceptions of goals in foreign policy decision making. We then conclude with some propositions about systemic influences on state learning.

This study concerns issues that are timely and provocative. The utility of U.S. foreign aid has been consistently scrutinized during the past half-century. With the transformation of the international system some of the prominent motives behind U.S. assistance policies have become moot. Therefore, with a long history of assistance to developing states, U.S. leaders must consider other ends that

can be served by this instrument. As is common knowledge, states are not always quick to change course. Redirections are not always for the better (Hermann, 1990). But change is ever present, and major changes in the international environment cannot be ignored.

In this study we address the issue of international change and state learning as they relate to U.S. aid policy, acknowledging that there are normative and practical interests involved in investigating the transfer of resources to nations in need. By employing statistical methods and explaining the appropriate theoretical domains that relate to the analytical question, we attempt to reinforce the applicability of scientific investigations of foreign policy and global politics. The theoretical scope of the study and the methodology employed seek to capture the dynamic nature of interstate politics, highlighting the interdependence between theories about international politics and theories about foreign policy.

The International System and Foreign Policy Goals

In his introduction to Gulliver's Troubles, Or the Setting of American Foreign Policy, Hoffmann (1968: xvi) succinctly recounted the multiple forces that operate in the decisional dynamics of foreign policy making. He stated:

What makes statecraft exciting to the statesman and fascinating to the scholar is precisely that it consists of assessing, exploiting, and shaping uncertainty: it emanates from a milieu--the

domestic society--whose values, political and social institutions, experiences, and patterns of authority are never entirely fixed or coherent, never point in one direction, and while ruling out certain choices, leave a considerable margin for maneuver . . . and operates in a milieu--the international system--that has repeatedly been defined as an arena of competition for multiple stakes, with uncertain rules which the players (especially the major ones) hammer out by trial and error, and characterized by moves which, however cleverly calculated, are more like wagers than rational adaptations of means and ends.

The uncertainty to which Hoffmann refers is an endemic influence in the international system. The issue of state learning is bound by the levels of uncertainty that permeate international politics. Politics is not a static enterprise at any level of human interaction. And because change is constant, the desire to achieve goals is also conditioned by the ability of actors to respond to change and in some fashion overcome it.

Foreign policy goals are subject to the internal and external forces that Hoffmann describes. The nature of goals is determined by the nature of the entity expressing and pursuing them. Even though states are the most prominent collectivities acting in the international system, their objectives, while primarily directed toward other states, are subject to the influences from a variety of actors in the system. Moreover, even though patterns of interaction are established and adhered to over time, there is no guarantee these patterns will endure. Thus, state actors in the international system are never free from the instability that uncertainty can produce.

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The recent and dramatic transformations in the international system illustrate the tension produced by change. Certain warnings about the demise of the postwar international order appear to have come to the fore (e.g. Mearsheimer, 1990). Standard Cold War reference points have dissolved so that many states are adrift in their struggles to gauge their vulnerabilities and strengths. They must now consider other issues and advocates in order to calculate their relative positions in the system (see for example, Nolan and Perruci, 1993). The mutability of the international system demonstrates that even though states may strive for continuity in their external relations, forces beyond their control often determine their probabilities for success. Moreover, changes in the international system also provoke questions about the relative impacts of systemic structure and nonstate actors (Wendt, 1987; Keohane, 1984; Waltz, 1979).

The Nature of the State System

States interact with other states and actors within a system that is defined by the types of actors that comprise it and by the relationship each bears to the others. The nature of states sets their levels of interchange apart from other actors. More so than the logical constructs we refer to as states, the state system is an abstract way of describing the

real actions and relationships in the international environment. Like all systems, the state system is a collection of elements that interact according to certain patterns of regularity (see Maoz, 1990; Spanier, 1987). It is the observable characteristics of states' external behavior that set the system apart from the units themselves. It is the whole and not the parts which the "state system" represents.

Much of the theoretical debate in international relations revolves around the limitations of systemic theory in accounting for foreign policy behaviors across a wide spectrum of states.¹ Moreover, the structural emphasis in recent systemic analysis has been criticized for its state-centric perspective which diminishes the significance of other actors in the system (Keohane and Nye, 1977; Mansbach and Vasquez, 1981). But states still require special attention in analysis given that their characteristics, resources, and level of control over the human condition set them apart. Waltz (1979) presented the most elaborate formulation of system theory which encompassed certain elements of other representations but which deviated from previous conceptual constructs by emphasizing the structure of the system as the determinant of state action. According to Waltz, the system is composed of

¹ Critics such as Ashley (1981), for example, point out that structural realism neglects the interpretive element found in classical realism. They note that classical realism is concerned with subjective self-reflection and recognizes the importance of the dialectic between subjectivity and objectivity.

both the interacting units and the structure within which they interact. Waltz (1979: 93) acknowledged that states are not the only international actors, but he argued that "structures are defined not by all the actors which flourish within them but by the major ones." Structure refers to the arrangement of the units in the system. States are differentiated according to their capabilities. "The structure of the system changes with changes in the distribution of capabilities across the system's units. And changes in structure change expectations about how the units of the system will behave and about the outcomes their interactions will produce" (Waltz, 1979: 97).

International systems are not hierarchic, but rather anarchic. States have no greater authority to constrain their actions. This is one of the main features of the current international system that separates the actions of states from those of other actors. Without any overarching authority states are left to their resources to ensure their survival. Like any collectivity, states' chief concern is their self-preservation. This attribute of the international system means that states act in certain ways for reasons beyond their control. The parameters within which states act are controlled by the structure of the international system. As a "top-down" approach, international politics from this perspective means that "the attributes of the whole determine the behavior of the elements" (Maoz, 1990: 547). Rosenau (1980: 364) defined the structure of the international system as "the degree to

which the capability for affecting the conduct of international life is dispersed or concentrated within the system." Because structure is the arrangement, or the ordering, of the states within the system, it follows that states act differently according to the existing arrangement of capabilities within the international system. A multipolar structure reflects a more dispersed arrangement of capabilities than does a bipolar one. The latitude of decision makers is constrained by the structure of the system. They act within and respond to a particular environmental configuration.

While systemic theory helps us appreciate the environmental constraints facing statesmen, it represents a level of generalization which, even though its proponents do not deny the significance of individual perception and choice, cannot answer difficult questions about decision makers' flexibility in choosing and implementing foreign policy. Systemic theory establishes the conceptual nexus between theories about international politics and theories about foreign policy. Moreover, systemic theory reinforces the critical necessity of understanding how statesmen perceive systemic changes and how they learn to adapt to them.

The Nature of Nation-States

Morgenthau (1967: 25), a widely read proponent of realist theory, bluntly stated that "International politics, like all

politics, is a struggle for power. Whatever the ultimate aims of international politics, power is always the immediate aim." Although this contention has provided substantial grounds for debate and criticism, it illustrates the qualitative difference between the objectives of states as actors in the international system and the objectives of other actors. The concept of sovereignty in the development of modern nation-states provides some justification for Morgenthau's blunt assertion. As one of the principles under which states engage in relations with one another, sovereignty (Bodin, 1992) refers to each nation-state's right to determine its own objectives and the means for pursuing them. Since each state is accorded this right, the absence of an overarching authority inhibits the resolution of conflicts of interests by any means except self-help. Statesmen have traditionally recognized that only states have a right to use force. Along with this attribute, states are different from other actors in the international system in that they represent fixed territories and populations. In the interest of preserving their territorial integrity and their populations' welfare, states' decision makers engage in actions that are often in competition with other state actors.

Within this hypothetical "state of war," there are patterns of order and constraint that are related to the principles that operate in interstate politics and to the variations of capabilities among nation-states. States are, in

Rosenau's (1990: 276) terms, "sovereignty-bound actors (who) frequently define their security dilemmas in terms of their autonomy as actors in the state-centric world." Moreover, the linkage between military power and international influence, while subject to critical qualifications (see Baldwin, 1979), has been a feature of interstate politics. And finally, while some states' leaders are satisfied with the existing international distribution of power, others are not (see Wolfers, 1962).

But just as the international system is subject to change, states are also subject to changing qualitative relations. The importance of increasing interdependence among states across important issue-areas has been presented as an indication of the changing status of states among international actors. Traditional conceptions of state power have been questioned as propositions critical of the conventional images of national security have been put forth as responses to the problems of economic or ecological interdependence (see Keohane and Nye, 1977; Klare and Thomas, 1994). Questions have been raised about the universal applicability of state-centric assumptions involving the prerogatives of states in the international system. Following in the footsteps of the North-South political debate of recent decades, certain issues regarding the foreign policy options and orientations of lesser-developed countries (LDCs) have been raised in international relations literature. For

example, it has been asked whether LDCs dependent upon assistance from developed states possess indigenous orientations or are so "penetrated" by the donor that many of the causal factors in policy determination ultimately originate in the donor (Moon, 1985). There is research that suggests, however, the presence of seemingly incompatible goals among Third World leaders who attempt to change the rules of the system and simultaneously engage in the "anarchical society" (Bull, 1977) with a "vested interest in the preservation of predictable norms of state behavior" (Ayooob, 1989: 70). Finally, it has been argued (Goldgeier and McFaul, 1992: 479) that states are less unitary than in the past, and the "effects of international anarchy are less pronounced than in earlier periods." The changing condition is not global, however. While the amount of order and adherence to norms regarding acceptable international behavior between core states is rising, "in many parts of the developing world, power and wealth are still linked in ways recognizable to the realists, and the security dilemma is paramount."

The conceptual definition of the state is subject to debate. The increasing importance of trans-national and sub-national actors in the international system has called into question the notion of sovereignty and made it increasingly difficult to generalize about the characteristics and behaviors of nation-states. The analytical focus on patterns of complex interdependence prompted some critics to

argue "the relative irrelevance of sovereignty." States are constrained by these diverse internal and external factors that differ according to both the issues involved and the relative conditions of the states suggesting that some states are "more 'sovereign' than others" (Mansbach et al., 1976: 20-22). But states are still powerful collectivities, and in many states the actions of their policy-makers can affect the shape and content of interaction among people in the international system. Therefore, it is imperative that we continue to search for answers to questions about their behavior. The ability of sovereign leaders to learn and adapt remains vital to their efforts to ensure political stability and economic development.

Systemic Context and State Behavior

The relationship between the state system and states seems almost tautological. States behave in certain ways because of the system driven imperatives. And the system exists in its current form because of the imperatives of state behavior and the nature of the states themselves. But the crux of the the seeming paradox lies not in the characteristics of either the state or the international system, but in the dissociation of either analytic level from the other. Neither construct exists without the other. While the notion of an international system may be very abstract, the idea of a state is itself a logical construct to identify levels of

interaction in the world. In trying to analyze behavior among state entities, the connection between one level of conceptual generalization and another level is less a problem of valid or invalid representations of reality than one of logical connections based on useful conceptions of relational phenomena.

A core conception of realism, as we have seen, is that states are the primary actors in world politics. The underlying assertion of structural realism builds on this conception and posits that given the nature of the environment in which states interact, certain patterns of behavior can be expected. The link in structural realism between system structure and state behavior lies in the rationality assumption it inherited from its classical realist antecedent

which enables the theorist to predict that leaders will respond to the incentives and constraints imposed by their environments But, an analysis of constraints, far from implying an acceptance of the status quo, should be seen as a precondition to sensible attempts to change the world. To be self-reflective, human action must take place with an understanding of the context within which it occurs. (Keohane, 1983: 509-511)

The importance of systemic context stems from the probabilities that certain actions will serve the needs of the state while others may not. States do not operate in some bilateral vacuum devoid of other influences. Changes in the larger arena of interstate politics necessarily affect the patterns of behavior among states. Action begets reaction, and understanding the conditions beyond their own internal

environment may mollify the effects of states' competitive self-help orientation.

To deny the importance of individual action in the dynamics of goal setting and decision making, however, is to reify the state. Structural realists correctly understand that their analytic framework is not intended to dismiss the importance of choice in policy making. The connection that system-level explanations have with other levels of explaining state behavior is in spelling out the field of interaction across those levels. The characteristics of the state, such as sovereignty, self-help orientation and security-driven caution, are features of entities that exist within a particular arrangement among them.² And even though some theorists criticize the use of the state concept as subject matter (Alger, 1985; Mansbach and Vasquez, 1981), as a conceptual representation of levels of interaction its utility is connected to the differentiation that must be accounted for across specific political domains.

Ultimately, the specifics of action in pursuit of state goals are subject to the calculations of states' decision makers. Foreign policy is purposive and can at least partially be explained by the objectives of decision makers (Brady,

² Wendt (1992: 394-395) argues that structure does not necessitate self-help behavior among states. Rather, such behavior is the result of processes. He contends that "[t]here is not 'logic' of anarchy apart from the practices that create and instantiate one structure of identities and interests rather than another; structure has no existence or causal powers apart from process."

1982a). Surveying the contextual landscape in order to narrow the probabilities of state behavior is productive only if we continually keep in mind that "There can be no 'state behavior' except as the term is used to describe the combined behavior of individual human beings organized into a state" (Wolfers, 1962: 8). The significance of individual action lies in its relation to the corporate entities it serves. Systems are maintained or altered by the actions of individuals. Conversely, in order to comprehend the reciprocal influences of different levels of interaction more fully, we must also bear in mind that "there is no individual apart from the network of systems in which he or she is embedded" (Rosenau, 1990: 117)

State Goals and State Learning

Analysis of state behavior under any circumstance is a complicated enterprise (see for example, Snyder, Bruck, and Sapin, 1962). Variable factors related to the characteristics of the state and variable factors related to environments outside of the state must be considered and arranged according to their logical causal connections. Asking questions about the ability of such a strong and influential actor as the United States to learn, or adapt, or modify its views and policies in the face of change leads us to consider several important issues. First of all, in order to investigate a particular policy area it is necessary to pinpoint what the

aims of that particular policy area are. Second, it is also necessary to determine who acts on behalf of whom. Third, the conditions of the external environment before and after the initiation, modification, or retention of policies have to be accurately examined in order to see if the actions taken have the intended effect. Finally, system-level influences on state behavior, on its decision makers' abilities to embrace realistic goals and make productive choices, must be accounted for. While the first and third issues above are more directly concerned with the nexus of goals and outcomes, all these issues are related to the puzzle of state learning. Thus, foreign assistance, with a long history and discernible motives, serves as a hospitable issue area for investigating the broader theoretical and empirical question of whether states learn. Learning involves a recognition of change and productive responses to it.

International relations are dynamic exchanges between states and other actors across state boundaries. Although all international exchanges are really relations between individuals or groups of individuals, the bases of their interactions vary according to the issues involved and according to what entities their actions serve. Change in conditions external to the state can cause individuals acting on behalf of the state to modify their goals, expectations, and decisions toward the international environment. In this scenario, the causal chain moves from the external environment

to the internal environment followed by actions intended to impact the external condition in some manner. The degree of impact resulting from internal modifications is dependent upon many factors inside the internal policy process and outside of that process in the external environment. Attention must be directed to both environments in order to understand the dynamics of policy change. Treating the state as an actor presupposes that the actions taken on its behalf are products of internal deliberations about the external conditions which face the state. The policy change ultimately consists of decisions made by individuals to alter in some way the relative position of the state in the external environment. And individuals must recognize changes in the external environment before they can productively modify the policies of the state toward that environment.

When speaking of state learning as a process, it is important to consider that process as the locus of deliberation in the larger configuration of foreign policy-making dynamics. External factors influence behavior, but the behavior of individuals acting on behalf of the state are not necessarily automatic, rationally calculated responses to external stimuli. While states are often portrayed as unitary actors in international politics (e.g. Morgenthau, 1967; Waltz, 1979), states act through their decision-making representatives in pursuit of objectives that are usually not directly tied to the personal goals of those representatives.

Although it is very difficult to disentangle personal motives from individuals' actions, even when the actions are taken on behalf of some larger collectivity, looking at states as unitary actors suggests there must be logical and empirical means of accounting for states' behaviors as opposed to the behaviors of individuals or groups. The system within which states coexist separates, at least conceptually, their levels of interaction (and often the stakes involved) from those of nonstate entities.³ When we analyze the behavior of states we need to identify what goals and preferences motivate them. This may prove difficult in that goals and preferences, while they may be stable over time, are not necessarily clearly perceivable across all issue areas. (See e.g., Keohane, 1983.) But the importance of goals and preferences among them lies close to the heart of the issue of state learning and international change.

Choice and Outcomes

Whether "states learn" is not a question to be asked in a casual manner. In as much as states have an impressive record of survival in the anarchical international system, it

³ Shelling (1978: 14) discusses a parellel point in his Micromotives and Macrobehavior. He maintains that people's behavior or choice cannot always be summed up or extrapolated to aggregates. He warned against "jumping to conclusions about individual intentions from observations of aggregates, or jumping to conclusions about the behavior of aggregates from what one knows...about individual intentions." See also Zeev Maoz (1990), National Choice and International Processes, especially Chapter One.

seems apparent that states' leaders in fact do learn about the conditions affecting them in the international system. However, survival is a minimum standard of success in world politics. States have more goals than merely surviving.⁴ Moreover, no state is successful all of the time in pursuit of every goal.

The linkage between international change and learning is really only recognizable when policy change is examined. As Robert Legvold (1991: 714-715) put it, "Learning only counts if it makes a difference to policy."⁵ Outcomes by themselves cannot reveal whether or not learning has occurred. Outcomes must be logically connected to goals which are dependent on factors in the two environments mentioned above. This study is concerned with choices and the resulting outcomes. While it is not directly concerned with the micromotives that accumulated or in some aggregation resulted in policy choices, it is concerned with how choices reflected policy aims. Choice involves, among other things, internal processes, however, and after determining whether policy change reflects some positive

⁴ Wolfers (1962: 68-69) makes this point in his now classic Discord and Collaboration. In discussing the difficulty of distinguishing between goals and means in states' foreign policies, he states, "Even when a nation aims for a goal as highly valued as national independence, it can be argued that the nation is seeking such independence as a means of providing its citizens with benefits other than national independence itself."

⁵ Conversely, Levy (1994:290) argues that "learning clearly is not necessary for policy change. But neither is it sufficient for policy change, because not all learning gets translated into changes in policy."

adjustment to the external conditions, evaluating the choice process then forces us to look at how the learning process operates. The crucial problem which must initially be resolved is whether one can actually determine what goals are being pursued by state policies.⁶ Goals are important as components of memory, "establishing the relevance and salience of pieces of information and the range of acceptable alternatives" (Brady, 1982b: 28). In order to evaluate outcomes we have to specify what outcomes are desired. By evaluating the distance between goals and outcomes, and by taking exogenous environmental factors into account, the next step is essentially a decomposition of the learning process itself.

Foreign policy goals pursued by states are variable. States are not single-purpose organizations. It is not the case that just because states desire a broad range of ends, which can only be attained through interactions with other states, these desires will automatically be converted into foreign policy objectives. "They will become goals only if the

⁶ Hermann (1980: 30-32) discusses the problems of identifying foreign policy goals in foreign policy analysis. According to Hermann, knowing an actor's goals helps one to parsimoniously explain behavior and evaluate performance. Problems arise in trying to determine a complex collectivity's goals as if it were an individual with a single set of preferences and goals. Inferring state goals from observable behavior or from some externally imposed requirements, or substituting judgment as to state priorities given its environment, capabilities, or dominant values places extreme responsibility on the analyst to demonstrate a correspondence between her conceptions of policy goals and what those goals actually are.

decision is reached that some national effort involving sacrifices, or the risk of sacrifices, is to be made for their realization" (Wolfers, 1962: 71). It is up to this point that system-level theory is instructive as to the direction of policies states will choose. The choices, however, are related to what states desire in their relations with others. They involve decisions about incurring costs in pursuit of those desires. But decision making is a process of which the act of choice is a part (see Maoz, 1990). States pursue objectives that serve them in some way. The costs that the state is willing to pay and the risks it is willing to take in order to achieve them are related to the importance attached to the objectives. Moreover, because determining costs and expected outcomes involves searching, evaluating, and revising information, options and goals, choices are not temporally or substantively disconnected.

Often the state faces the dilemma of contrasting goals that compete for the interest of government. In order to explain how some goals receive greater attention than others we have to look at the patterns of choices and attempt to construct some ordering or hierarchy that reflects value trade-offs among goals. Choices are culminations of factors that affect the selection of options in response to problems. These selections are determined by criteria that structure the ordering of preferences and the level of commitment to certain policy options (see Maoz, 1990). One crucial aspect of

learning is the capability to recognize the importance of particular goals in the changing milieu of international politics. Furthermore, changes in the external milieu may render established value priorities less relevant. Learning, therefore, is also a process whereby values are reassessed and priorities adjusted to meet the changing demands of the external milieu (Breslauer, 1991a). Changes in beliefs prompt changes in behavior (see Levy, 1994). "Learning provides a yardstick of shifting belief" (Legvold, 1991: 715)

The disposition of state goals is significant because we are interested in whether behavior reflects state learning. If foreign policy is purposive behavior, then state actions must reflect decisions that address objectives or problems even when conditions are in a state of flux or uncertainty. Because states must act in order to ensure their own welfare, the burden of responsibility compels them to decide. Moreover, their own prior decisions and actions affect their calculations as they move forward in their pursuit of objectives. Faced with unfamiliar challenges that undermine previous beliefs about what is worth pursuing or what is achievable, states have to solve these "cognitive dilemmas." Whether or when states can overcome these dilemmas is an empirical question that this research will assist in answering. States, like all institutions, are habit-driven actors (Haas, 1991; Rosenau, 1990). Their prior experiences, organizational routines, memories, and cultural norms combine

so that they tend to respond to challenges in habitual ways. In a true sense, states, like the international system of which they are parts, are reproduced by the patterns of habitual interaction at the micro level.⁷ But since states are capable of learning, habits are not unbreakable. Individuals and collectivities possess a readiness to learn as part of their "habit pool." "It may require stimuli on the scale of powerful trauma--such as a Pearl Harbor or a crisis over missiles in Cuba--but at some point even the most habitual actor is at least minimally open to reorientation" (Rosenau, 1986: 864). In order for states to alter their goal priorities or develop new goals, circumstances must change to the extent that the beliefs, experiences, and memories of the state fail to serve the needs of the habit-driven behavior for which they evolved.

As stated earlier, policy change does not necessarily mean that the state leaders have learned about the conditions in the external environment. Likewise, international change does not necessarily mean that the state will reorient its outlook toward that environment in order to accomplish certain

⁷ Rosenau (1986: 868) discusses the crucial function of habit in world politics. Although he contends that while we speak of macro structures or macro institutions, we are really using "shorthand labels for very complex and elaborate interaction patterns at the micro level," he also contends that these "macro phenomena take on a life of their own apart from the individuals who sustain them. Equally important, once they establish a life and legitimacy of their own, the norms, regulations, and actions produced by the macro phenomena constrain, energize, shape or otherwise impact on life and habits at the micro level."

goals. The important element in identifying state learning in foreign policy is the observable behavior that results from state response to international change. The behavior and international change must be logically and purposively related. Behavior must 1) demonstrate the state's recognition of external change and its conclusion that its positions on certain issues are not productive. It must also 2) demonstrate a more compatible assessment of the external conditions and the state's relation to them. And it 3) must be more effective in achieving state goals.

Tetlock (1991) cautions against seeing learning as reflected by only one of these three conditions. In his view, the straightforward reward-punishment conception of state learning is insufficient because it neglects the decision process and it does not provide any insight about how complex external conditions affect the nature of the state's actions. Likewise, he maintains that seeing state learning as feedback induced changes in the structure or content of the decision makers' outlooks may not fulfill the conditions of sufficiency. While these types of changes might increase the likelihood that the state can achieve certain goals or set more realistic ones, they cannot guarantee success. The three conditions are interrelated. Because it is behavior and not thinking that we are observing, the third condition is the crux of sufficiency. By itself, effectiveness can only be said to reflect learning if it is the result of the state's agents

reflecting on failure and reassessing the state's position with a different definition of its objectives. Therefore, in order to determine whether state behavior reflects state learning, all three conditions need to be operative so that the outcomes cannot simply be attributable to happenstance.

Policy performance in the conceptual sequence of state learning is necessary because it gives us the empirical referent to connect intelligence with policy change. What Tetlock (1991: 35) calls "learning in the efficiency sense of the term," occurs "whenever policy makers have learned to match means and ends in more efficient and effective ways." Learning in this sense comes in two distinct forms. Policy makers can find better ways for achieving their original goals, or they can redefine their goals upon realizing the inherent conflicts among their original goals. In its first form, learning can be thought of as tactical (Legvold, 1991) or simple learning (Nye, 1987) as it only focuses on controlling means. In its complex form, learning involves the rethinking of basic concepts which Legvold (1991: 701) defines as "the conscious intellectual formulations explaining the phenomena that give foreign policy its tasks." In the interest of more effectively matching means and ends, it is goals and not tactics that are changed.

In searching for patterns of behavior that reflect state learning, therefore, the importance of goals leads us to look at performance as more than just the outcomes resulting from

adjusted policy instruments. We are concerned instead with what Maoz (1990) calls the "substantive aspects" of decision-making processes. What qualitative changes are reflected in policy changes? What logic is employed in the decision process? How are goals identified and how are conflicting goals treated? And to what extent does implementation reflect the essence of the decision? Questions such as these are at the heart of Etheridge's (1985) investigation in his Can Governments Learn? He defines government learning as "changes in intelligence and effectiveness."⁸ And Breslauer and Tetlock (1991) draw the conceptual distinction between "learning that" and "learning how." They acknowledge that the definition of learning is debatable among foreign policy analysts. "In part this derives from the inherent tension between the everyday use of the term learning as engendering 'greater realism' (learning that) or 'greater skill' (learning how), and the varied uses of the term in specialized psychological, organizational, and political science literatures" (Breslauer 1991b: 825). The simple distinction illustrates the difference between beliefs

⁸ Etheridge (1985: 66) considers the growth of intelligence using three criteria: "(1) growth of realism, recognizing the different elements and processes actually operating in the world; (2) growth of intellectual integration in which these different elements and processes are integrated with one another in thought; (3) growth of reflective perspective about the conduct of the first two processes, the conception of the problem, and the results which the decision maker desires to achieve." His measure of effectiveness is the achievement of different values, using the decision maker's own professed values as criteria.

and behaviors. And it highlights the significance of evaluating performance as the consequence of changed beliefs or goals. The state's decision makers may learn that their previous policies were not successful in achieving their intended goals. Or by the experience of trial and error, the state's decision makers may come to a better understanding of the problems that face them. However, as Breslauer and Tetlock assert (1991 :13), "[G]reater realism along certain dimensions of belief may often be a necessary condition, but is certainly not a sufficient condition, for improved performance (learning how)."⁹ The empirical determinant of state learning, therefore, is policy change-induced outcome. Identifying this determinant requires a description of the goals by which policy performance should be evaluated, evidence that changes in belief prompted the enactment of changed policies, and then an evaluation of the effectiveness of those policies.

Systemic Effects and State Learning

States operate within a system. When looking at foreign policy decision making, we cannot conceive of the system as just a separate exogenous factor merely supplying inputs into

⁹ For example, Breslauer and Tetlock (1991: 15) contend: "It may be true that both the U.S. and Soviet policy planners have learned a great deal about the Middle East in recent decades (learning that), but that neither of them has learned to solve the Arab-Israeli conflict."

the process.¹⁰ The foreign policy making process is contained within the system. The system surrounds that process. Its influence is apparent before, during, and after the processes of deliberative choice making. It is not only the individual actions of states to which states respond, it is also the overall changing (or nonchanging) systemic conditions which influence state action. Structural realism, or neorealism, is perhaps the closest international relations has come to a paradigmatic outlook in the past twenty years. As stated above, with its conception of systemic structure, neorealism attempts to explain how the behavior of states is affected by the variations in the international system's structure. In its portrayal of the international political system as a whole, neorealism describes structural and unit levels simultaneously distinct and connected. "International structure emerges from the interaction of states and then constrains them from taking certain actions while propelling them toward others" (Waltz, 1992: 29). However, research in this tradition (e.g., Waltz, 1979; Krasner, 1978; Gilpin, 1981) too often assumes rationality in order to make inferences about state behavior based upon knowledge of the structure of the international system. It is one of the assumptions that abstracts from or

¹⁰ "In practice, it is useful to distinguish between 'systemic' sources of foreign policy and 'external' sources. The former are aggregate or general attributes of the international environment . . . that are shared by all states--not just the United States. The latter are relationships between particular states" (Kegley and Wittkopf, 1991: 18 n. 4)

simplifies much of the complications of world politics. Moreover, Waltz, structural realism's most outspoken defender, maintained that theory inevitably concerns some interaction dynamics and leaves others aside. Waltz (1979: 122) states, for example, that the balance-of-power theory upon which he argued his overall theory of international politics "makes assumptions about the interests and motives of states, rather than explaining them."¹¹

Critics of structural realism argue that because it neglects the individual state's ability to act outside of structural constraints or to even bring about structural transformation, structuralism fails to account for the enabling character of the system. It is a static perspective that does not give attention to the dynamic nature of interstate politics (see Mendelson, 1993). Structural theory is too deterministic (Wendt, 1987). But even Waltz contended that his theory of international politics was not a theory of foreign policy. His contention is that by first understanding the contexts within which foreign policies are operative can we begin to understand the motives and policies of states. And

¹¹ Waltz (1979: 122-123) further states: "What it does explain are the constraints that confine all states. The clear perception of constraints provides many clues to the expected reaction of states, but by itself the theory cannot explain those reactions. They depend not only on the international constraints but also on the characteristics of states The theory explains why a certain similarity of behavior is expected from similarly situated states Because national and international levels are linked, theories of both types, if they are good, tell us some things, but not the same things, about behavior and outcomes at both levels."

while the system provides opportunities it imposes costs on voluntarism. Goals that stretch beyond the logic of the structural constraints will be costly to pursue, and achieving those goals may lie beyond the ability of the state (see for example, Perruci, 1991).

System-level theory, therefore, begins the process of explaining state goals. By themselves, propositions at this level cannot tell us what states will choose to pursue specifically in every circumstance. For an investigation of a particular policy area such as U.S. foreign aid, system level analysis may lead us to answers about the need for certain actions without necessarily leading us to the specifics about them. Furthermore, in observing patterns of behavior we may find out if state goals are compatible with the logical implications of system level analysis. As Waltz (1979: 107) maintained, "Structures cause actions to have consequences they were not intended to have." Because of this dilemma, states often cannot achieve their original ends by adjusting their strategies.

State-Centric Considerations of State Learning

This study will treat the state as an actor with the critical, qualified recognition that decisions taken on behalf of the state are made by individuals. Foreign policy-making is obviously less ideal than are the multiple conceptual constructs used to analyze it. While treating the state as a

being might "round-off" many of the rough edges in foreign policy analysis, it provides a simple base from which to inquire about the utility of policies enacted on behalf of that being. In simplifying reality for the purposes of inquiry, giving the state the "qualities of being" also enables us to ask difficult questions without necessarily losing sight of the forest for the trees. Before we can explore the various arboreous specimens in our landscape we must locate and survey our forest. That is to say, by beginning from a simple reduction of reality we can move toward a more secure investigation of the complex relationship of foreign policy decision-making and policy outcomes.

The issue of foreign assistance objectives is derivable from its placement within the greater purposes of United States foreign policy. The concern of this research with the goals of American foreign policy directs us to examine how state goals are determined. From the previous discussion, we assume that the structural requirements of the international system place constraints on what is both probable and possible in a state's external aspirations. For explaining the actions of states, the dominant outlook since the end of World War II has been the state-centric approach. What Morgenthau (1967) labeled "political realism" is a broadly defined school of thought that sees states as the principal actors in world politics. As such, they are treated as unitary rational actors. States pursue objectives through calculations of costs

and the weighing of alternatives. The more recent structural reformulation of realism acknowledges that states are not the only international actors. Again, however, as Waltz argues, the international system is comprised of many species of actors, but its structure is based on the relationships of the most dominant ones.

As stated previously, knowing the context of international politics provides only a portion of the necessary information for explaining foreign policy goals and actions of states (see also Keohane, 1984). Morgenthau's (1967: 9) classic statement of realist theory understood the "inevitable" gap between rational foreign policy and "foreign policy as it actually is." In the classical realist position, states can be treated as unitary actors that weigh alternative courses of action "although doing so under conditions of uncertainty and without necessarily having sufficient information about alternatives or resources (time or otherwise) to conduct a full review of all possible courses of action" (Keohane, 1983: 508).

The statist image of foreign policy, such as that described by Krasner (1978), represents state goals as related to the condition of the whole nation and not individuate portions of it. Ultimately the objectives themselves have to be understood in terms of this indivisibility. According to this statist image, the state is capable of pursuing objectives that cannot be reduced to the collective whole of

multiple private interests. Nordlinger (1981) has also argued that even in a democracy the state can formulate objectives and implement policies when its preferences diverge from the demands of societal groups. But states are only logical constructs so that differentiating state behavior from behavior of other actors is a simplifying procedure. Krasner's definition of the state as central decision making institutions and roles identifies the loci where the prerogatives of state action, state goal setting, and policy choice occur. And although Krasner is more concerned with the domestic constraints which states must contend with, the issue of state learning is more directly connected to the imperatives of state actions as they relate to the actions of other states.

The state's decision makers operate within the system of states. Learning requires that they remain cognizant of the behaviors of other states. Their goals and strategies are not only conditioned by their desires for security, welfare, or prestige, they are conditioned as well by the desires and actions of other states. The ability of state decision makers to implement policies are also conditioned by their capabilities as state administrators, the resources available, and their organizational efficiency. Beyond these internal factors, successful policy is conditioned by the actions and reactions of other states' decision makers. Learning is

evident if the state's leaders can realize their external environments and overcome the impediments to policy.

Psychological/Cognitive Approaches to Learning

Approaches emphasizing the psychological and cognitive influences in decision-making processes go beyond assessing the proximity of actions to outcomes. Instead, these perspectives look at how policy makers think about international politics. Among other things, these approaches try to identify any idiosyncratic characteristics of foreign policy elites and ultimately disclose the processes which guide their choices. Decision-making analysis in this vein posits that "analysis of an actor's behavior involves the separation of internal from situational components" (Jervis, 1976: 48). Goals and the means for achieving them are related to the perceptual predispositions of individuals and the influences of individual behavior on organizational choice. Unlike the rationality-based calculus of the neorealist framework, psychological and cognitive approaches do not explain state goals on the basis of "objective" external conditions. These related perspectives look instead at the subjective perceptions of decision-makers as they define conditions and constrain their choices as to what actions are acceptable in addressing them (see for example, Shapiro and Bonham, 1973).

Cognitive approaches are more directly concerned then with what enhances or constrains changes in beliefs. Less attention is directed to the question of whether changes in the content or structure of beliefs enables an individual (or collectivity) to better understand his environment. It may be that decision makers are only employing more elaborate justifications for policies they support or intend to pursue (Tetlock, 1991: 32-35). Cognitive/psychological approaches deal less with learning in the "efficiency" sense. According the Tetlock (1991: 38), learning from this perspective is "at most a necessary, not a sufficient, condition for learning in the efficiency sense. The mere fact that one adjusts one's tactics, strategies, or goals does not imply that on is doing so wisely."¹²

The dividing line between these broad approaches is more than a distinction between explanations of changes in state behavior either based upon changes in the attributes of the system or changes in the internal attributes of actors. A major difference between these two differing perspectives involves their conceptualizations of state goals. In one sense the difference lies in seeing goals as limited (or enhanced) by external conditions or as limited (or enhanced) by the characteristics of individuals and organizations. Perception

¹² Rosenau (1980: 243) also makes the point that "knowledge of the perceptions of policy-makers can hardly serve as a predictor of outcomes if the officials are operating with erroneous estimates of their own capabilities or the nature of the international environment."

of external conditions is assumed in the neorealist perspective and problematic in the psychological/cognitive approaches. The rationality assumption of structural realism means that decision makers must be "able to articulate their goals and values and establish priorities and preferences for these goals" (Maoz, 1990: 152). System-level factors define the "rules of the game" thereby delimiting what is both possible and probable in state objectives.¹³ Relying instead on the interrelation of leaders' personal characteristics to suggest probable parameters of goal and preference setting, the psychological approaches clarify state goals on the basis of leaders' personal orientations or general ways of responding to the external environment (Hermann, 1980). However, whether goals are delimited by external factors or by internal perceptions and interactions, the common thread between these different perspectives is that foreign policy goals are directed toward the external environment. Policy change results when conditions in that environment are not compatible with the desires of the state's decision makers and they act to reduce the distance between those conditions and their desires. Their actions may be designed to either change the external conditions or to change their expectations about

¹³ For example, Lagon (1992: 68) argues, "While explaining the realm of the possible in terms of parameters for choices set by the international system, structural realism does not explain the realm of the desirable. How do states determine the outcomes they desire? States are not purposive. People are."

how to cope with that environment (e.g., Hermann, 1990). Learning is evident if policy change accomplishes either end.

Overview to the Analysis of U.S. Development Assistance Policy

Learning in foreign policy cannot be assumed. Even though policies change, those changes may not be the results of deliberative revaluations of policy objectives or reflections of a more realistic appraisal of the conditions in the international environment. In the following chapters we will discuss the development and application of U.S. development-assistance policy with the objective of seeing how this particular policy area reflects the changing perspectives of decision makers in response to external changes.

Having defined state learning as the processes wherein foreign-policy decision makers understand international changes, redefine objectives and priorities in light of those changes, and develop coherent policies based upon those redefined objectives, examining the formulation and implementation of U.S. assistance policy allows us to monitor a policy area that is connected integrally to the broader bases of U.S. foreign policy. Approaches to development assistance cut across traditional issue domains. Development assistance serves political, economic, and strategic purposes. Foreign policy is directed toward the accomplishment of goals that serve the political, economic, and strategic interests of the state. Therefore, the conceptual linkage between

international change and policy change will be examined empirically through an analysis of the interests driving foreign assistance policy.

Recent transitions in the international system call into question the long-standing bases for policy. They suggest that changes in the definition of U.S. objectives are needed. Issues that were indirectly connected to U.S. security calculations during the Cold War are increasingly important considerations directly involved in the interest calculations of U.S. security policy. Our focus on learning directs us to look at the connections between traditional and nontraditional security considerations in order to determine whether assistance policy reflects a shift in foreign policy priorities. U.S. foreign assistance has consistently been applied as a means for supporting U.S. security interests. However, in the context of a bipolar international system U.S. security was defined in military-strategic terms. Our analysis will look at the changed international context, the absence of bipolarity and the overarching imperative of superpower competition, to see if U.S. security rationales related to humanitarian crises and economic interests are involved in the formulation of U.S. development assistance.

CHAPTER 2

U.S. FOREIGN POLICY AND DEVELOPMENT ASSISTANCE

The use of economic means to achieve political ends is not unique to the modern age of international politics (see Liska, 1960; Knorr, 1975). Since the Second World War, the United States, however, has provided economic, technical, and military assistance to a vast majority of states. The scope and magnitude of assistance distinguishes U.S. foreign aid policy from aid relationships among other states.

While the humanitarian desire to assist others in need has certainly been part of the overall rationale behind the foreign assistance policies of the United States, the major factors driving U.S. aid policies have been political and strategic in nature. Foreign assistance has been used to promote the interests of the U.S. in an international system that dramatically changed as a result of the Second World War. As discussed in the previous chapter, those goals are dependent upon conditions in both the international environment and the internal policy making environment of the state. The development of U.S. foreign assistance within the larger realm of U.S. foreign policy, and the institutionalization and maintenance of that policy over four decades reflect the interrelationship between changes in the

international environment and the choices pursued to address those changes.

In this chapter we will examine the conditions that prompted shifts in U.S. foreign policy in the postwar era. We will give particular attention to the systemic influences on U.S. foreign policy goals. Looking at the patterns of choices made by the U.S. government, we will briefly reconstruct the dynamics of foreign policy making in this dramatic period of U.S. (and global) history. The progression of policies across the Cold War decades evinced patterns of behavior with marked continuities amidst constant change. In their maintenance of policy objectives and their manipulation of constant policy means U.S. decision makers sought the balance of means and ends in a mutable environment. Enduring influences in tension with emerging issues characterized the postwar period. Moreover, with the present demise of the old systemic order, both means and ends are uncertain as a coherent new order has not emerged. As we probe these historical developments, we will review the context in which U.S. foreign-assistance programs were conceived and implemented.

System Structure, Patterns of Continuity, and U.S. Foreign Policy

Before World War II, most U.S. presidents "had faced one political imperative when it came to foreign policy: that of keeping us out of war" (Destler, Gelb, and Lake, 1984: 38). After World War II U.S. presidents faced more complex

imperatives. U.S. power was unsurpassed, but U.S. leaders were challenged by a determined and powerful ideological adversary. The growing hostility of the Soviet Union and the recent memory of the turmoil of the 1930s together managed to help shape a course away from isolationism, creating two dominant foreign policy aims: keeping peace and stopping Communism. The transition away from traditional foreign policy perspectives did not come immediately or easily.

U.S. foreign policy historically has been represented as a pattern of swings between isolationism and interventionism. Prior to World War II a hallmark of U.S. policy abroad had been its noninvolvement in European conflicts. Only when aroused did the U.S. venture into the power politics arena and afterwards it retreated behind its natural geographic barriers. This tendency to avoid involvement in political struggles abroad has been attributed to a particular kind of American nationalism. Hoffmann (1978: 6), for example, suggests that Americans tend to see their experience as unique. The belief in the national character of the United States was such that the American "mission as a model democracy" was served alternatively by remaining "the lone and shining guardian of certain values and traditions, [and] at times their missionary." The defining essence of U.S. foreign policy since World War II has been its internationalist posture. Unlike its retreat following World War I, the U.S. has remained active in global politics in the postwar era.

The change in the disposition of U.S. leaders following the war is important because it came to define an enduring transformation of American purpose. The change was significantly a structurally induced phenomenon. The bipolar character of the postwar state system "compelled the United States to foresake isolationism once and for all" (Spanier, 1987: 152). Faced with this structural condition, U.S. policy makers espoused and worked toward a consistent set of goals. The patterns of behavior across the decades after World War II reveal a remarkable constancy of foreign policy goals. The constancy of U.S. foreign policy in the postwar era was remarkable not only because the U.S. acted within a system vastly different from any in which it had acted previously, but also because it sought to achieve consistent goals in a system that was changing rapidly and constantly.

Furthermore, Krasner (1978) argued that the broad foreign policy aims of America's postwar leadership consistently reflected different preferences than those of prewar decision makers. According to Krasner (1978: 15),

With the exception of the administration of Woodrow Wilson, the period before the Second World War was one in which American actions can best be understood in terms of interests, that is, aims that had some identifiable material benefit for American society as a whole. These included both enhancing strategic security and furthering economic well being.

Besides these traditional aims, the aims of decision makers after the war were related to ideological objectives. What Krasner referred to as the shift from "interest-oriented to

ideological goals" was the result of the dramatic change in the United States' global power status. Fundamentally, the resources at the disposal of U.S. leaders allowed them to pursue an American image of what a peaceful and prosperous international system should be. This vision essentially mirrored American values and expectations derived from America's national experience. A belief in Lockean liberalism and in a democratic and non-revolutionary developmental course characterized the U.S. approach. In pursuit of objectives anchored to these beliefs, American leaders looked outward to the structuring of the international system and developed goals "directly related to the basic political structures of foreign regimes" (Krasner, 1978: 16).

When looking at patterns of policy that have persisted for several decades, we need to ask what factors (both internal and external) were responsible for that consistency. As historical generalizations, patterns reveal the overall nature or direction of foreign policy. But these generalizations cannot account for every foreign policy decision or the motivations behind them. What is offered by generalization is the ability to discriminate between what is lasting and what is transitory. Therefore the patterns of continuity in U.S. foreign policy may conceal variations in such important elements as the levels of commitment that the U.S. applied to its pursuit of certain objectives. But a commitment to active internationalism, and ultimately

globalism, was reflected in the record of U.S. sponsorship of and support for the United Nations and its development and implementation of the Marshall Plan and subsequent foreign-assistance programs. U.S. activism in pursuing an expanding liberal trade regime, and U.S. construction of NATO and other regional alliance arrangements were also expressions of U.S. leaders' drives to remain involved and influential in world politics (Destler, Gelb, and Lake, 1984). Throughout the postwar period, however, a concomitant consistency in U.S. policies was derived from the unavoidable circumstances of limited resources available to pursue foreign policy objectives. "There are limits to the extent that even the most powerful nation can project its influence beyond its borders" (Ambrose, 1971: 36)

Means and Ends: U.S. Foreign Aid and U.S. Foreign Policy

Understanding the connection between policy goals and policy means is important because the interrelationship between means and ends reflects the ability of the government to develop achievable objectives in the face of uncertainty and change. Ideally, outcomes are logically and causally connected to objectives and means. But the distance between outcomes and objectives is conditioned by the capacity of governments to recognize external conditions. It is also conditioned by the ability of governments to construct suitable means for achieving goals. Thus, the ends and the

means of policy have to be suited to the context within which they exist. The issue of government learning is centered around the logical connection between internal response to external change. Therefore, we will review the relationship between U.S. foreign policy, its broad aims, and U.S. foreign assistance policy in the postwar period.

The Cold War and the Truman Doctrine

After the Second World War, the optimism which accompanied the victory over the Axis swiftly declined. For American leaders, the utility of wartime allegiances fell as the postwar order failed to emerge along the lines of American preferences and expectations. American leaders felt threatened by the expansive moves of the Soviet Union. The Soviet armies had liberated much of Eastern Europe as they moved the German armies back. Soviet Premier Stalin was very much a political and military opportunist as he attempted to project Soviet power into these areas. Moscow's unilateral political settlement of Soviet occupied Europe ran counter to the expectations of the Western members of the "Grand Alliance." President Truman remained hopeful about Eastern Europe, but the reality of the massive Soviet presence and its control over the political fortunes there made bargaining with the Russians a problematic enterprise. Despite the objections of the Western leaders over the establishment of the client governments which Stalin had propped up in Eastern Europe, at

Potsdam the Soviet leader "considered the transformation of the political picture in Eastern Europe a closed issue" (McWilliams and Piotrowsky, 1990: 38).

Truman acceded to the Soviet position in Eastern Europe because there was little he could have done to change it. The pessimism which many took away from Potsdam reflected their realization of the asymmetrical positions of the three allies in postwar Europe. Secretary of State James F. Byrnes reflected this pessimism by acknowledging that it was unfortunate for the Soviet Union to have emerged from the war with as much power as it wielded. Moreover, he expressed the fear that the vast differences in the ideologies of the United States and the Soviet Union precluded any long-term program of cooperation between them (Woods and Jones, 1991).

From the American point of view, the international system was developing into two contradistinctive political orders. The hope of a united international order guided by the major powers dissipated. The United Nations could not become a forum for constructing a new order without the cooperative and compatible energies of the two dominant global powers. Each side was wary of the other's motives. The strategy of containment which greatly influenced U.S. postwar foreign policy developed after American officials concluded that the Soviet Union would not alter its patterns of behavior in the face of diplomatic pressures alone. George F. Kennan articulated many of the emerging conceptions about the manner

in which the United States leadership should meet the challenges of containing Soviet power in a bipolar international system. His now famous "long telegram" in 1946 served in important ways as the clarion for policy change.¹ Kennan's continuous counsel helped resolve the cognitive crisis caused by the war's accommodation of ideological incompatibilities and its adjusted perceptions to objective conditions. He voiced an important perspective which stressed the limitations in pursuing containment strategies. American opposition to Soviet expansionism and communism had to be based on a "particularist rather than a universalist conception of American security interests: what was required was not to remake the world in the image of the United States, but simply to preserve its diversity against attempts to remake it in the image of others "(Gaddis, 1982: 56).

One of the important consequences of the embracing of containment, however, was its seemingly global application as policy. Beginning with Truman and continuing through every subsequent administration the question of American interests

¹ Kennan's lasting influence on policy makers began with his ominous February 1946 "long telegram" evaluating the motivations of Soviet leadership. It was widely circulated among officials and helped to crystallize official thinking about Soviet intentions. Kennan's telegram had great influence "because it provided a way to fuse concerns about totalitarianism and communism in dealing with the Soviet Union" (Gaddis, 1987: 39). Kennan's "X-article" in Foreign Affairs both shaped and reflected the growing consensus in the administration regarding the conduct of U.S. policy toward the Soviet Union. For a critical review of Kennan's work, see Gellman (1984).

troubled U.S. officials in their attempts to reconcile policy means to ends. In the years immediately following World War II patterns of behavior developed which shaped subsequent decisions and goals. Recognizing the condition of the international system, American leaders accepted the goals of containment. Its implementation required creative statecraft and political acumen in order to successfully stabilize international conditions and build necessary domestic support.

The official expression of this shift in American purpose and policy came from President Truman in his address before Congress on March 12, 1947. The Truman Doctrine set the tone and direction of U.S. policy and shaped the course of American policy for decades to come. Developed as a response to crises in Greece and Turkey, Truman's speech presented those circumstances as parts of a much broader dilemma in the international system. Cognizant of the domestic impediments to a dramatic shift in American policy, Truman portrayed the problem as a global one with direct security implications for the United States. He outlined an approach that stressed the necessity of involving U.S. resources abroad. As Truman (1956: 106) later stated, he believed that his speech was in fact the turning point in America's foreign policy, declaring "that wherever aggression, direct or indirect, threatens the peace, the security of the United States was involved." Although the parameters of policy outlined in the speech were not immediately recognized, Truman stated that U.S. policy should

be to extend assistance to "victims of aggression" everywhere. The speech outlined the central premises of the Cold War. His message related the world situation in terms of a global ideological conflict, with democracies facing "totalitarian regimes imposed upon free peoples." As part of a general overhaul of official U.S. positions, the Truman Doctrine recognized the existence of a global bipolar competition. Containment was defined as strategic uses of American resources to counter conditions that presented opportunities for Soviet intrusion. The basic pattern of American postwar foreign policy was set forth in President Truman's speech.

One prominent point in Truman's speech which shaped many subsequent policy choices was the emphasis that U.S. assistance should be given primarily in the form of economic and financial aid. Rather than making the new direction in U.S. policy solely a military response to uncertainty, the Truman Doctrine related American interests to the economic conditions of other states. The Truman administration argued that subversion succeeded best in situations of poverty and unrest (Truman, 1956; Crabb, 1982).

The most important ramifications of Truman's speech were the transitions in the attitudes of policy makers about the purposes of U.S. policy. The Truman Doctrine signalled the outward thrust of U.S. policy. It buried the isolationism that characterized American policy between the wars and which had been a hallmark of U.S. policy throughout much of its history.

The demobilization of American armed forces after World War II presaged a return to isolationism. Many Americans believed that with the creation of the United Nations the United States could use it to resolve "troublesome international questions...thereby relieving the United States of any further direct responsibility" (Crabb, 1982: 112). The Truman Doctrine struck a blow against such expectations by declaring that the United States would assume leadership in the troubled postwar system. In presenting the problem facing the "free world" as one where forces external to it threatened its internal security, the Truman Doctrine laid out U.S. strategy in defensive terms. According to its advocates, the U.S. was not concerned with pursuing adventuristic policies designed to create an American hegemony over weaker states. Rather, the proclaimed goal of the doctrine was to assist independent nations not within the Soviet orbit, an idea clearly in keeping with the principle of self-determination and with the precepts contained in the United Nations Charter (Crabb, 1982).

The Truman Doctrine's lasting influence on American policy was evident across subsequent administrations as each sought to counter Soviet power in the international system. The problem of matching objectives with resources repeatedly puzzled officials in a world that changed continuously. NSC-68, prepared for the Truman administration in 1950, reinforced consensual opinion that the Soviet controlled

communist threat was global in scope. The document's main thrust was that U.S. strategy could not discount the importance of areas on the perimeter. In a marked departure from the "strongpoint" defense strategy proposed by Kennan, NSC-68 stated that

any substantial further expansion of the area under the domination of the Kremlin would raise the possibility that no coalition adequate to confront the Kremlin with greater strength could be assembled . . . and in the context of the present polarization of power a defeat of free institutions anywhere is a defeat everywhere. (Quoted in Gaddis, 1982: 91)

In portraying the balance of power in global terms, NSC-68 made all interests vital. The invasion of South Korea by North Korean armed forces in June 1950 appeared to validate the conclusions of NSC-68.

A major concern of the Eisenhower administration was the ability of the U.S. government to keep commitments in line with resources. Eisenhower believed that the defensive prescriptions of the Truman Doctrine made containment a reflexive policy which allowed the Soviet Union to determine where and when it would challenge U.S. interest. Putting out every fire that broke out in the international system would stretch the limited resources of the United States. Therefore, Eisenhower developed an "asymmetrical" response strategy. It did not delimit the vital interests of the U.S. as Kennan had counseled. Instead, containment through deterrence was pursued by keeping responses commensurate with means. Eisenhower "sought to combine the certainty of response with uncertainty

as to its nature" (Gaddis, 1982: 151). Although Eisenhower's course deviated from the "symmetrical" prescriptions of NSC-68, it followed the design of NSC-68 by moving American planning toward a posture of military containment. The formation of NATO in 1949 was already an attempt to install a military component in the barrier to Soviet expansion. The Truman Doctrine's defensive strategy of using economic and technical assistance to halt Soviet expansion was upstaged by a design to use military assistance and alignments to accomplish the same goal. During Eisenhower's tenure this approach was complemented by a series of regional defense pacts between the United States and countries in Central and East Asia designed to inhibit further aggression and to keep the U.S.S.R. and China behind a cordon of non-communist allies.

President Kennedy's "New Frontier" reverted to the spirit of NSC-68 by maintaining that it was necessary to expand the means available to impede unacceptable shifts in the balance of power. Like Eisenhower, Kennedy faced a system whose periphery was expanding. Kennedy more clearly understood that threats to the periphery could not be adequately addressed by military arrangements alone. He was less concerned about solvency than he was with expanding the range of available options to deter Soviet gains. "We intend to have a wider choice," he explained in a July 1961 speech, "than humiliation or all-out nuclear war" (Gaddis, 1982: 203). While both

Eisenhower and Kennedy saw the balance of power in global terms, Kennedy questioned asymmetry on the grounds that it provided insufficient means to respond to varieties of challenge. His administration incorporated Truman's precepts regarding less defense-oriented resources to maintain the balance. Along with military assistance, assistance in economic planning, technical assistance and the provision of capital were designed to help LDCs withstand pressures for revolutionary change without embracing the communist path.

The globalism of containment set forth in the Truman Doctrine came under severe attack with the extended American military involvement in Vietnam. With the conduct of the war and certainly in its aftermath, the U.S. public and its leaders questioned whether the U.S. should bear the global responsibilities of opposing Soviet inspired changes in the world. American commitments appeared to have outreached American resources. The enduring consensus, which supported containment in its globalist form, dissolved. The applicability of the Truman Doctrine in world vastly different from the postwar world was questioned. The Nixon, Ford, and Carter administrations attempted to define the limits of American purpose while maintaining the resolve initiated in the Truman Doctrine.²

² "The history of containment can be written largely in terms of the oscillations between these concepts: between the belief that limited means require differentiated interests, on the one hand, and the belief that undifferentiated interests require unlimited means, on the other" (Gaddis, 1984: 356).

For Nixon, detente represented a way of maintaining the balance of power without overreaching the means available to do so. Nixon and his successors recognized how much the international system had changed since Truman professed American containment goals. Under Nixon, according to Gaddis (1984: 361), detente was not an abandonment of containment, but rather "an imaginative effort to accomodate that strategy to existing realities, to maintain that calculated relationship of ends and means that any strategy must have in order to succeed." President Carter, like presidents Nixon and Ford before him, sought to restore a balance between resources and national commitments. Unlike his immediate predecessors, however, Carter sought to construct a domestic consensus to support his policies. His emphasis on human rights was used, in part, to restore the public's trust in government. But Carter's approach to containment stalled in the face of events that resurrected sentiments close to pre-Vietnam perspectives. Thus, while his vision of a more cooperative "global community" was not totally set aside, Soviet adventuresomeness in the Third World and its 1979 invasion of Afghanistan forced Carter to conclude that the Soviet threat was predominant (Melanson, 1991).

Every administration since Truman confronted the dilemma of delimiting U.S. interests in an expanding global system. The force of Truman's proclamation to contain the Soviet Union held on as each successive president continuously faced Soviet

power first and foremost in the international system. The legacy of the Truman Doctrine endured primarily because of the inability of the actors in the international system to transform the structure of that system. Neither the United States nor the Soviet Union faced any third equal adversary. The relative positions of many other states rose during the three decades of the Cold War, but none displaced or challenged the two poles of political and military power. As Waltz (1979: 171) maintained, under this condition, the pattern of responding to moves that might upset the balance is a global one because "in a bipolar world there are no peripheries."

U.S. Foreign Assistance Policy Since World War II

Much as the goals of foreign policy throughout the postwar period were defined during the years immediately following World War II, the means for achieving those objectives were developed during that time as well. Rather than directly confronting Soviet power, the containment strategy was designed to forestall soviet expansion by inserting American resources in areas that were still outside of the Soviet sphere. The Truman Doctrine's prescription endured throughout the Cold War. Moreover, the choices made in the years after its proclamation regarding the use of American resources were reflected in many subsequent decisions about the instruments to use and the rationales for using them. The

foreign assistance programs of the United States during the Cold War provided an enduring means for pursuing containment whose constancy reflected the globalist nature of the objective. Truman's Marshall Plan and Point Four Program established precedents that influenced later assistance allocation decisions.

The announcement of the Marshall Plan came directly on the heels of the announcement of the Truman Doctrine. In its design the plan for the cooperative rehabilitation of Europe was the most ambitious and most expensive foreign assistance effort which the United States developed. In its implementation it was by far the most successful program in the the history of U.S. aid. The Marshall Plan served as the foremost expression of the new policy of containment as it was outlined in the Truman Doctrine. It sought to counter the "economic, social and political deterioration" of Western Europe, the atmosphere which Truman had stated opened doors for subversion.

The success of the Marshall Plan resulted from the additive nature of factors involved with the development and implementation of the program. "Nowhere else have conditions been so appropriate for the economic approach to political development" (Packenham, 1973: 34). The program was a coordinated package of financial, technical and administrative assistance. Its tasks were specified and limited. Funding was substantial. Equally important, European countries were

already economically developed. The economic infrastructure was in shambles following the war, but the skills and resources necessary for resuming productive economies were still available. And finally, the European recipients and the United States shared fundamental political interests.

Containment was a strategy with long-term goals, and the initial successes of its first dramatic component led U.S. officials to conclude that they had chosen a proper instrument to pursue it. As a model for later aid decisions, the Marshall Plan connected economic welfare with political stability. Economic intervention enhanced prospects for economic development and political stability. With stable political systems and strong economies the threat of internal subversion was minimized. The European Recovery Program was evidence that an economic approach could revive economies, keep Communist parties from coming to power, and restore stability and democracy (Packenham, 1973). Belief that economic modernization would stimulate political changes encouraged U.S. decision makers to extend the principles of foreign assistance to other regions. The goals of assistance were solidified by the turnaround in Western Europe.

In his 1949 inaugural address, President Truman expanded the range of U.S. assistance strategy by including a broad outline of another program to help lesser developed states. His Point Four Program was presented as a global and continuing program. Economic solutions were available to those

states which were left behind in the world economy. American technical know-how was abundant. The Point Four initiative coincided with the processes of decolonization swelling in the international system. Beyond the explicitly defensive motive of keeping these states from becoming part of the Soviet bloc, Point Four was conceived as a means of integrating those areas more directly into the Western political order. According the wording of the Act for International Development which emerged, Point Four was justified on the grounds of national security. Like the Marshall Plan before, and like most of the economic programs which followed, Point Four was considered to be more than just "a sound economic investment." Supplying economic and technical assistance to states with troubled economies provided the U.S. with opportunities for constructing a broader and more solid front against communist gain (Truman, 1956).

As an extension of the methods developed by the Truman administration to pursue containment, Point Four followed a consistent path of U.S. response to the external environment. The Marshall Plan addressed the vulnerabilities in the core of the bipolar system. Having arrested Soviet encroachment there with its substantial financial effort, American policy makers looked outside Europe. Developments in the Third World suggested that possibilities for Soviet influence were taking shape. The sums allocated through the Technical Cooperation Administration (TCA) were very modest in comparison to those

provided through the Marshall Plan. Other circumstances, such as the Korean War, became priorities and detracted from the impetus established in Truman's inaugural address. However, Point Four marked the beginning of official policy which directed U.S. resources to non-European states for economic development. It also represented the awareness that U.S. competition with the Soviet Union would not be limited to Europe. Point Four also demonstrated the growing acceptance of the particular means for engaging in that global competition.

The Korean War, with its substantiation of the principles of NSC-68, transformed foreign assistance from a technical approach to one with a strong military supplement. Even though the American leaders wanted to promote democratic development in LDCs, the dominance of military assistance in U.S. aid programs after 1950 meant that the more important issue was whether the recipient countries could stand up to external military threats. Foreign assistance began as a subtle technical initiative to bolster non-industrial regions against the vicissitudes of economic development to promote "orderly" political change. It quickly evolved into a program of more direct military assistance whose aim was to keep allies strong without draining their economic resources. And it was evident that military strength in those regions served to counter both external and internal threats to the governments in power (Huntington, 1970). But the transference of the technical approach of the Marshall Plan to the assistance programs for

the Third World demonstrated a belief that political conditions would follow economic improvements. This tenet persisted with varying degrees of consequence throughout the Cold War.

The Mutual Security Act Period (1951-1961)

The concept of development assistance was subverted to the military emphasis that developed after the fall of China and the onset of the Korean War. The four to one ratio of economic to military aid in 1949 was reversed by 1951 and even the officially stated goal of the Marshall Plan from 1950 to 1952 changed from economic recovery to rearmament (Packenham, 1973). The Mutual Security Act of 1951 institutionalized Truman's conviction that economic assistance constituted "defense support" because it was the foundation for militarization. This act served as the legislative umbrella under which foreign economic and military assistance were allocated over the next decade. The activities of the Economic Cooperation Administration, the Technical Cooperation Administration, and the Mutual Defense Assistance Program were gathered under the legislative authorization of the Mutual Security Act as the defense orientation overshadowed the development initiative stemming from the Marshall Plan and Point Four. The merging of economic assistance with military assistance demonstrated the security focus of policy and

reflected the organizational commitment of the U.S. government to the pursuit of containment through foreign assistance.

The resources of the Mutual Security programs in the 1950s were primarily directed toward states on the peripheries of the Soviet Union and China. "Forward defense" countries - Turkey, Pakistan, Taiwan, South Korea and South Vietnam - received the bulk of assistance primarily designed to support their armed forces and supplement their economies. The latter three states accounted for over 40 percent of Mutual Security aid commitments (Gordon, 1979). But the periphery states were not given development assistance near the proportions delivered to European states under the Marshall Plan. Economic assistance to the Third World did increase substantially, but the total aid allocation level declined as assistance to Western Europe receded. The European share of economic assistance from 1949 to 1952 averaged 86 percent. From 1953 to 1957 that annual average fell to 25 percent. And from 1958 to 1961 the average share of foreign economic assistance going to Europe fell to just 6 percent. However, whereas the total U.S. economic assistance averaged \$3.4 billion annually in the 1949-1952 period, it only averaged \$1.85 billion in the 1958-1961 period (Packenham, 1973: 54).

Just as continuities existed in the rationales justifying foreign assistance, institutional patterns developed in the Mutual Security Act period which endured long after the military focus of that mandate receded. Development assistance

funds were explicitly "tied" to the purchases of U.S. goods and services.

The Mutual Security Act established procedures for notifying all American enterprises when purchases of goods produced by them were to be made from any aid funds, so that even small businessmen, typically uninformed about foreign markets, would have an opportunity to bid. (Montgomery, 1962: 130)

Efforts by the Eisenhower administration to extend financial authorization for foreign assistance programs beyond one year were never successful. His administration consistently submitted "deliberately inflated" appropriation requests because Congress inevitably approved much lower amounts (Montgomery, 1962). These factors inhibited the establishment of long-term approaches toward economic assistance policies. They resulted from normal executive-legislative political positioning and they revealed the lack of long-range planning for utilizing economic assistance for political advantage.

This dilemma characterized assistance policy in subsequent programs as well. It involved a question of methods rather than goals. During the Mutual Security Act period the search for a productive mix of principle and method was evident in the reorganization of assistance agencies. The Technical Cooperation Agency (TCA) and the Mutual Security Agency (MSA) merged into the Foreign Operations Administration (FOA) in 1953. In 1954 this agency was superseded by the International Cooperative Administration (ICA) as a semi-autonomous agency within the State Department (see Black, 1968; Wood, 1986).

The administration's struggle to find a proper approach to foreign assistance became more complicated when the Soviet Union began to compete with the United States as an aid donor to the Third World.³ In this competition between donors, aid was not just an instrument for supporting allies, but also "a tool with which to bid for the favor of nations not yet committed" (Gordon, 1979: 3). To counter the Soviet aid American policy makers established such programs as Food for Peace (P.L. 480). But the U.S. also moved away from the military assistance emphasis and reinstated a more developmental focus in that its objectives, although still rationalized in terms of U.S. security interests, were geared more toward enabling economic growth and political stability in emerging Third World states. This gradual shift back to the original emphasis of assistance was also a reaction to the proliferation of newly independent states in the 1950s. Most were not interested in the East-West political competition. They were primarily concerned with getting their economies in order and stabilizing their national development.

Critics of the Eisenhower administration's military emphasis argued the military and economic assistance should be considered separately. In 1958, Democratic members of the Senate Committee on Foreign Relations expressed this sentiment to Eisenhower and argued that too much importance was attached to military assistance relative to development assistance

³ See for example, Mason (1964).

(Packenham, 1973: 57). In an influential government-commissioned study, Max Millikan and W.W. Rostow of M.I.T. maintained that development aid should be allocated to developing states in accordance with their abilities to use it effectively. Moreover, Millikan and Rostow's study contended that stable democratic governments would follow economic development promoted through U.S. assistance (Millikan and Rostow, 1957).

The evolution of development assistance had come full circle since Truman's earlier initiatives. Conditions in the international system had pushed American strategies away from the development focus of the Marshall Plan and Point Four, and international conditions had brought them back. But the system had continued to change. Numerous newly independent states were entering the state system without professed allegiance to either the U.S. or the Soviet Union. Their economies and their political systems were fragile and uncertain. Given the nature of America's global commitment to containment, they could not be ignored.

The Foreign Assistance Act Period (1961-Present)

Development assistance policy since 1961 has been marked by a continued search for the proper combination of principle and method. The political goals of foreign assistance remained basically unchanged since the Marshall Plan. Pursuing containment through development assistance, however, was

continuously refocused and redefined as policy makers have reconsidered this method and its prospects. The tension has not been one between military and economic assistance, as it was in the 1950s, as much as it has been one between the proper approach to development assistance. Part of the problem stemmed from the ever changing environment toward which assistance was directed. Part of the problem, however, stemmed from the conceptual ambiguities that drove each subsequent definition of the aid mandate.

The Foreign Assistance Act of 1961 replaced the Mutual Security Act and mandated that attention should be directed toward long-range assistance goals not dissimilar to those of the Marshall Plan. As one of the Senators who urged Eisenhower to reassess the importance of economic assistance, Kennedy believed that this type of aid would serve U.S. interests as well as military aid. Following the argument of Millikan and Rostow, he believed that long-term economic and social development in LDCs was a prerequisite for the type of international community necessary for the self-interests of the United States. The Agency for International Development (AID) that absorbed the International Cooperation Administration in 1961 was guided by officials who believed that economic development "required the modernization of entire social structures" for which "capital was not enough" (Packenham, 1973: 62).

Adjusting to a more generalized development approach meant disseminating assistance to a wide-range of developing states. This diffusion confounded attempts to formulate criteria for allocating aid. The political goals of containment were not as apparent. Appropriations were subject to annual congressional approval, and Congress was hesitant to disburse large amounts of aid if political factors did not warrant it. Although Kennedy's Alliance for Progress to Latin America was a dramatic shift toward a new perspective, it provided the administration with important lessons about the limits of promoting democracy through economic assistance. While aid to most Latin American states doubled in the four year period following the 1961 initiative, a succession of coups caused him to retreat to standard Cold War postures. The amount of aid to most recipients fell precipitously in the following five years.⁴ Latin American aid reflected the changes in aid policy globally in that assistance became less diffuse. It was once more concentrated primarily on geopolitically important countries. And whereas the amount of economic assistance increased significantly in the first years

⁴ Only Guatemala and Haiti received less aid in the 1962-66 period compared to the 1957-61 years. Thirteen states received less aid in the 1967-71 period than they received in the 1962-66 years. Total aid fell from \$4.1 billion in 1962-66 to \$2.5 billion in 1967-71 (Loehr, Price, and Raichur, 1976). The decline in Alliance allocations resulted from the awareness of limitations in the democracy through economic development strategy, the shift in outlook in the Johnson administration and the increase concern of U.S. policy makers for areas in Southeast Asia, particularly South Vietnam.

of the Foreign Assistance Act period, it subsequently declined.

In the wake of the failure of development assistance in the Alliance for Progress, and in the aftermath of the dismal record of development and military assistance to Vietnam, the Nixon administration sought a further redefinition of the aid methodology. The "New Directions" order in the Foreign Assistance Act of 1973 was designed to push emphasis away from the traditional concerns with social infrastructural projects, economic growth and industrialization. Instead, assistance was to be targeted to the poorest in developing societies. But unlike the initial response to the development shift in assistance policy, the New Directions rhetoric was not supported by increased funding. The Nixon administration was beset by security concerns that overshadowed the "basic needs" philosophy it espoused for U.S. development assistance to the extent that some argued that basic needs constituted "a humanitarian gloss on practices that would have existed anyway" (Wood, 1986: 196). For geopolitical reasons, traditional aid recipients continued to receive the bulk of economic and military assistance.

When Carter assumed the presidency, he argued for greater restraint and morality in foreign policy. Human rights was a professed political objective. The basic needs philosophy was considered appropriate for disbursing economic assistance. He established the International Development and Cooperation

Agency (ICDA) and charged it to ensure that foreign aid policies toward LDCs "passed a developmental litmus test" and "bring coherence to multilateral and bilateral assistance programs and present them in a comprehensive budget to Congress " (Wasserman, 1983: 99). Neither the human rights orientation nor the ICDA initiative were successfully implemented. In a pattern consistent with his predecessors, Carter faced external conditions and internal constraints that undermined his efforts on both counts. ICDA never received the bureaucratic independence required to achieve its mandate to free development from immediate foreign policy interests. Human rights never fully surmounted the existing rationales of development assistance. Stohl, et al. (1984) concluded that in Carter's foreign assistance policy human rights considerations "were subverted by perceptions of more pressing national security concerns." Cold War considerations were more evident in allocation decisions so that in its translation of professed principle into policy, the Carter administration was not consistent in its allocation of assistance.⁵

Comparisons of different administrations during the Foreign Assistance Act Period reveal a continuity of purpose. Antipathy toward communism and fear of instability are "deeply rooted" political values in American society that constrained these postwar administrations. Variations in the successive

⁵ See also Shoultz, 1981; Cingranelli and Pasquarello, 1985; Hofrenning, 1990.

Foreign Assistance Acts bely the patterns of application which each administration exhibited during this period. Every president has manipulated the principles of method while letting the principles of purpose evolve according to the larger transformations of the international system. President Reagan, however, sought to redefine both ends and means when he occupied the presidency in 1981.

Cold War II: The Reagan Doctrine

The Reagan administration was committed to "exorcising" the ghost of Vietnam from America's foreign policy calculations. By assuming unlimited resources for defense and downplaying prospects for negotiating with the Soviet Union, President Reagan attempted to reverse the perceived decline of U.S. power relative to the Soviet Union's. Containment of Soviet power and influence was unambiguously the top objective among U.S. goals. Military power was the principle means for limiting Soviet expansion. Reagan's strategy was premised on a "starkly bipolar view of geopolitics" (Brown, 1983: 570). Policy appeared to return to the containment strategies of the immediate postwar period. Reagan followed the pattern of his predecessors by not reassessing American commitments in the world. Instead, he focused on rebuilding the means to pursue them.

One striking difference between Reagan's approach to containment and that of his predecessors was his objective of

using American military assistance to aid insurgent forces in the Third World. Labeled the "Reagan Doctrine," it was Reagan's attempt to make containment less defensive (see Lagon, 1992). While previous administrations had episodically engaged in attempts to unseat Soviet supported regimes (for example the Bay of Pigs operation in Cuba), none had actively pursued this course of action as official government policy.⁶ In a reversal of roles, U.S. policy to support national liberation movements against Soviet supported regimes resembled the Soviet Union's historical position of assisting insurgencies against imperialist regimes. The policy committed covert and overt American economic and military assistance to anti-communist movements in their struggles against communist regimes. Material support was given to Afghan rebels in their fight against both Soviet armed forces and the Soviet-backed Kabul government. American aid was extended to opposition groups in Cambodia and Angola. And most notably, U.S. assistance was delivered to Nicaraguan contras to aid their attempts to bring down the Sandanista regime (McCormick, 1992).

The ironic twist of the Reagan Doctrine's application of the Truman Doctrine's prescriptions for containment reflected how different were the circumstances that the United States

⁶ Even though Secretary of State Dulles had advocated "rolling back" the Soviet presence in Eastern Europe during the Eisenhower administration, the U.S. government never acted on his desire.

faced in the 1980s compared to those it faced in the 1940s. Reagan sought to make U.S. policy more active instead of reactive. His emphasis was on rebuilding American power to counter Soviet gains and make the Soviets recognize the costliness of their expansionism. Reagan's desire to increase American power was driven by the perception of its erosion. But the United States in the 1980s was not the same dominant power it had been in the 1940s or 1950s. The world had changed. Although the U.S. and the U.S.S.R. were still the relatively superior political and military powers in the international system, other states had narrowed the gap. Despite the continued strategic significance of their bilateral relationship, other issues emerged which required multilateral solutions.

Premised on his "hardheaded realist" conception of the bipolar nature of the international system, security replaced development as the principle criterion for assistance allocations. From this perspective, Reagan considered assistance funds to be fungible in that economic assistance served security ends. His rejection of the standard economic/military aid distinction suggested that he was unwilling to separate security from development issues (Lebovic, 1988). This conception of interests resembled the original ideas of the Truman Doctrine. However, unlike the Truman Doctrine he narrowed the definition of security to its military core. This unidimensional conception coincided with

the broader view of power relations between the U.S. and the Soviet Union. Development only mattered as it affected the balance of power alignment in the system. The Reagan administration made no pretense that the Economic Support Fund (ESF), the major portion of the foreign assistance program, adhered to the development approach.

But the threat subsided. The Soviet Union collapsed. Foreign aid continues. Other security issues remain. The Middle East draws the lion's share of U.S. security assistance, and even though the East-West dimension of American interests in the Middle East is no longer around, U.S. interests remain. A paradox of Reagan's calculated effort to redefine interests in a stark manner presents itself now that the old order has past. The Foreign Assistance Act period, premised on the goals of containment, has not ended because no new legislative mandate has replaced the old.

The End of the Cold War: New World Order

Whereas the results of the Second World War transformed the characteristics of the international system, establishing a bipolar system of nation-states that revolved around the competitive relations between the United States and the Soviet Union, the end of the Cold War has not yet produced a system with an identifiable restructuring dynamic to account for relations among global actors. The end of the Cold War, however, represents a historical breakpoint in world politics.

As such, the continuity of goals which has characterized American foreign policy since World War II now seems to have come to its end. Bipolarity is gone. The Soviet Union has collapsed. No other power is capable of challenging American influence or military might the way the Soviet Union did during the Cold War. The international system is changing at an unprecedented pace.

Changes in the international system occur, however, in the midst of historical continuities. The absence of bipolar competition does not mean an absence of interstate competition. Among the new realities of the post-Cold War era are patterns of interaction inherent in the state system. The latent conflicts unleashed by the disintegration of the Soviet system are evidence that the end of the Cold War does not ensure a peaceful future:

Many of the basic generalizations of international politics remain unaltered: it is still anarchic in the sense that there is no international sovereign that can make and enforce laws and agreements. The security dilemma remains as well, with the problems it creates for states who would like to cooperate but whose security requirements do not mesh. Many specific causes of conflicts still remain, including desires for greater prestige, economic rivalries, hostile nationalisms, divergent perspectives on and incompatible standards of legitimacy, religious animosities, and territorial ambitions. To put it more generally, both aggression and spirals of insecurity and tension can still disturb the peace. (Jervis, 1991-1992: 46)

Therefore, the defeat of Soviet ambitions does not guarantee the success of American goals. Changes cause uncertainty. For American policy makers the uncertainties of

the post-Cold War international system are more pronounced since the standard referents for gauging American security are gone. Indeed, the dilemma facing the American leaders is likened to that of "the astonished lottery winner," in that "the U.S. government, the morning after communism's sudden collapse, hardly knows what to do" (Sorensen, 1990: 5).

The choices facing American leaders are similar to those which leaders faced throughout the Cold War. Their efforts to contribute to and manage a new world order must reconcile means to ends. This task is complicated by the fact that there is, as yet, no clearly defined American interest to take the place of the goal of containment. It is further complicated by the increasing multipolarity that reflects a greater diversity of interests now that the Soviet threat is gone. And finally, the task of matching means to ends is complicated because "there is an emerging 'global agenda' of new and old issues that could form the basis for a new set of international priorities" (Sewell, 1991: 36). Problems such as sustaining economic growth in LDCs, eliminating poverty, safeguarding the environment, and promoting open political systems require attention from U.S. policy makers.

Postponing any definition of American purpose while the international system is in this "state of flux" does not diminish the need to manage that flux (Bissell, 1991). As the "one first-rate power" in the international system the United States is the only actor with the capabilities to be "a

decisive player" wherever its leaders choose to involve it (Krauthammer, 1991). Moreover, the absence of the overt military-security concerns of the Cold War merely increases the salience of other issues as they affect the security of the United States. Concern for economic independence and peaceful enhancement of democracy, as Sorensen (1990: 7) states, are not as "defense oriented or negative in nature as containment . . . nor as costly in tax dollars, nor as easy to simplify for political purposes. But they are equally global in scope" (Sorensen, 1990: 7). Thus, just as the realities of postwar bipolarity prompted American internationalism to protect American interests, the exigencies of "unipolarity" in the post-Cold War period suggest that this continuity will persist.

Political Ramifications of U.S. Foreign Aid

The debate over foreign aid has consistently been waged at the both the conceptual and the political levels. At both levels its proponents have argued that foreign assistance serves American foreign policy goals. Despite its long tenure in the foreign policy repertoire of the United States, foreign assistance continues to be the focus of debate and controversy. At the conceptual level, the extension of internationalism through foreign assistance conjures up resistance to active external policies that extend U.S. interests and resources. The legacy of isolationism persists

in varying degrees in public attitudes about the proper role of the United States in global politics. The ambivalence which many Americans feel about U.S. relations with the rest of the world does not completely subvert their opinions that the U.S. should be active in global affairs. But when the issue of foreign assistance is considered, often the isolationism of the past resurrects itself in the skepticism which many express (Graves, 1991). However, the context in which foreign aid developed diminished the strength of arguments against internationalism. The consensus that persisted for two decades testifies to the credibility of the perceptions of threat and responsibility.

At the political level, the debate over foreign assistance revolved around its utility and the perennial tension between available means and suitable ends. The extended application of assistance did not remove this tension. Debate usually centered around the development of productive intervention strategies within acceptable limits. This debate illustrated how the conceptual dilemma of internationalism versus isolationism was connected to the political discourse over means. If internationalism was the accepted principle the question remained how far American commitments could be extended. As the history of the Cold War demonstrated, internationalism is not necessarily an absolute principle. But the dimension of scope directly affects the determination of acceptable means.

At the political level the constant contention about utility suggested that any level of commitment was susceptible to opposition, regardless of the purposes. Black's (1968: 13) scanning of the Congressional Record illustrated the timelessness of this aspect of political consideration. As he quoted:

It is the road to bankruptcy, and not a very long road at that They are deliberately selling America short Our Uncle [Sam] in his flirtations has become the easy prey of foreign and domestic grafters, vampires, and gold diggers. . . In place of governing ourselves, in place of looking after our own people, we are now trying to bribe and govern the world.

Black makes the pointed observation that these quotes were not part of the debate over assistance in the 1960s. They were part of the debates over the Marshall Plan in 1948 and Point Four in 1950.

Research has shown that the apprehension over financial "giveaways" was misplaced when it was based on the assumption that the recipient states were the sole beneficiarires of American largesse. The humanitarian view of foreign assistance was never predominant in practice (Pincus, 1967; Loehr et al., 1976). The observation that "individuals may be humane and disinterested, but nations are not" (Griffin and Enos, 1970: 314), applies to the record of U.S. foreign aid in the postwar period. First and foremost, foreign aid serves the interests of the donor (McKinlay and Little, 1979; McKinlay, 1979). So the question of utility must include the feasibility of goals which aid is designed to accomplish (Baldwin, 1985).

Therefore, political and conceptual arguments about foreign assistance cannot be addressed singularly. Throughout the postwar period the constant manipulation of foreign assistance policy focused primarily on the policy instrument and its principles. Policy makers accepted the broader ends of policy in varying degrees across the postwar period. Transformations in the external environment modified the globalist thrust which developed in the wake of World War II. But the condition of the international system, despite its growing uncertainties and its expanding complexities, endured at its most basic level. The political considerations of foreign assistance are representative of the dynamic processes involved in foreign-policy making. External continuity and change force decision makers to develop responses while the internal continuities and discontinuities condition the methods and the principles employed.

Concluding Remarks

U.S. development-aid policy reflected the changing systemic conditions throughout the postwar period. Development assistance evolved as part of the broader design of U.S. external policy as a new order arose from the destruction of World War II. The international system emerged from World War II dramatically different from its prewar configuration. Relations among states in the postwar system were conditioned by the changed system within which they interacted. The

foreign policy goals of the United States were fundamentally different from those of its prewar history. The central U.S. foreign policy goals of containing Soviet power and influence persisted for over forty years even though the international system changed. Under the containment "umbrella" U.S. development assistance reflected systemic transitions; however, containment prevailed because the international system was defined by the dominant power relationship between the U.S. and the Soviet Union. The periodic redefinitions of U.S. development commitments represented reassessments of the means to pursue the larger ends of containment. They represented the reactions of U.S. leaders to the changes occurring underneath the bipolar structure of the postwar world.

However, this era has passed. The Cold War is over. The basic premise behind the internationalism of U.S. foreign policy is gone. In the wake of the Cold War, U.S. officials interact with allies and former adversaries across a wide range of issues that cannot be subsumed under the general policy objectives of containment. Habits developed over the course of four decades are being subjected to the tensions of change. Change at the level of systemic structure suggests that policy perspectives require fundamental reassessments. If the United States government is capable of establishing new habits and developing new goals in response to the systemic changes it faces, then one would expect U.S. official

development assistance policy to reflect the altered outlooks which systemic transformation suggest. This is the important question to which we now turn.

CHAPTER 3
RESEARCH DESIGN: STATE LEARNING AND THE FOREIGN POLICY MODEL
OF U.S. DEVELOPMENT ASSISTANCE

Before we look to see whether the United States government has learned from the recent and profound changes in the international system, we must explain the importance of studying foreign-assistance policy. If foreign aid were the subject of our investigation on its own merits, its significance would be connected to the level of funding allocated to assistance programs, to the types of programs funded, and to the types of recipients granted assistance. While these considerations are worthy of serious examination, the practical significance and theoretical importance of studying foreign-assistance policy are much broader in scope. The question of state learning expands the domain of inquiry and explanation. In light of the enormous transformations occurring in the international system, the question of state learning requires attention. The foreign-assistance issue-area is a very suitable policy domain from which to study the impact of international change on foreign policy behavior.

Despite the relatively small annual budgetary allocations directed toward foreign assistance programs, foreign aid serves important functions. Morgenthau (1962: 301) pointed out that, while the assumption that foreign aid is designed to

further foreign policy interests "is a subject of controversy," the U.S. "has interests abroad which cannot be secured by military means and for the support of which the traditional methods of diplomacy are only in part appropriate." Furthermore, the United States has provided foreign assistance to a majority of developing states. The global reach of this foreign policy area demonstrates the scope of American interests in the international system. On practical grounds, studying American development assistance enables us to monitor how change in the system affects the approach of the U.S. government in its relations with a majority of states. The transitions in foreign-aid policy over the last several decades illustrate how the U.S. government has recognized changing conditions. The narrative of the previous chapter disclosed how shifts in emphasis from security to development were fashioned largely by the emergence of new states whose primary concerns were centered around economic issues. Although the level of commitment varied across regions and over several U.S. administrations, foreign-assistance policy recognizably changed in response to external change.

On substantive grounds the issue of foreign assistance is also important because the recent end of the Cold War suggests that global politics are being reshaped. Evidence of this can be found in the recent considerations of Russian and other Eastern European states as aid recipients from Western donors.

With the ending of the Cold War, contemporary international politics are becoming more centered around "low politics" issues such as economic development and stability, environmental problems, and health issues. The "high politics" concerns of military security have not been removed from states policy considerations, but the clear-cut definitions of security factors are more complicated as the international system reflects greater interdependence among its members.¹ Foreign economic assistance is clearly more connected with the trend toward "low politics" priorities. Added to these factors, the U.S. and other donors face the reality of resource constraints. Ryan (1990: 181) suggests, for example, that "American aid to the developing world has been perhaps seen as a luxury that the nation could afford when its economy was booming and the concept of a budget deficit unknown." While donor states reorient their geopolitical rationales, including their purposes for supplying foreign aid, they must also deal with domestic limits which can affect their abilities to fulfill or expand their foreign assistance obligations.

The current situation in the international system presents an optimal opportunity for addressing the theoretical question of state learning through an investigation of

¹ This is an axiomatic notion in contemporary international relations research. See Keohane and Nye (1977) for an elaboration.

foreign-assistance policy. The longevity of the U.S. foreign assistance programs gives us a significant record from which to study change. It provides us with patterns for comparison across time adequate in length to assess real shifts in policy goals and strategies. Since foreign aid is conceptually connected to the principles of American foreign policy, changes in assistance policy can be evaluated as parts of broader changes in American goals and perspectives. More abstractly, our study of foreign assistance can assist in providing empirical support for hypotheses about the abilities of states to learn in the international system. It can provide an additional cog in a structure for understanding foreign-policy behavior. This benefit, derived from our improved understanding of foreign assistance as an instrument of foreign policy, can further our understanding of foreign policy and its interrelationship with global politics.

Statement of Research Questions

Our focus on state learning, therefore, is addressed from an investigation of the narrow issue-area of foreign-assistance policy in a changing international environment. Again, the utility of investigating foreign-assistance policy in order to determine if governments can learn is related to its connection to broader foreign policy goals and to its long-standing presence in the external policy repertoire of the United States. The existence of

change in the international system suggests that the U.S. needs to continuously reassess its foreign-policy goals and instruments in order to more ably meet basic national objectives such as security and prosperity. Because foreign aid serves multiple objectives, and because of its perennial inclusion in the strategies of American statecraft, the question of learning can be investigated by examining the pattern of behavior in foreign aid policy-making. In the preceding chapter it was apparent that the instrument of foreign assistance has been subjected to numerous modifications in scope and composition. But the designs behind foreign assistance were not redefined to the extent that its components were.

With the end of the Cold War, however, the major goals of foreign aid that sustained its political purposes and provided it with political support have diminished. As Layne (1993: 41) states, "The Cold War structure has been swept away. American policymakers must now think about international politics from a wholly new analytical framework." To reiterate, the end of the Cold War, the collapse of communism and the disintegration of the Soviet Union, stand collectively as a breakpoint in the development of the international system. These transformations simultaneously represent a portentous shift of interstate relations and a productive transition away from the dangerous rigidity that characterized the bipolar competition between the United States and the Soviet Union. The continuity and

predictability of the Cold War are gone as are the threats to global survival that lingered throughout the forty-odd years of superpower rivalry. As perhaps the only global power with the influence, resources and presence to construct a stable new order, the United States faces external imperatives for changing its foreign policy perspective.

Whether or not the United States responds to the changes in the international system can be monitored through our investigation of the patterns of foreign assistance obligations. The breakpoint reconfiguration of the international system currently underway has forced U.S. leaders to redirect attention toward the economic and political problems of the former Soviet Union and its former bloc client states. This change is only a redefinition of the rationale for interest in these states. The rationale is no longer competition or insecurity. Rather, it is uncertainty as to the prospects for the productive reintegration of these states into a larger order of market oriented democratic nations. The pace of change has been swift, but the pace of response has been less so.

Learning reflects an ability to reassess in the face of change so as to better cope with it and optimally to manage it. Since foreign aid is no longer a novel approach to external relations it serves as an important measure of the transformation of state purposes in the international environment. The introduction of foreign assistance, with its

objectives and its development after World War II, can be seen as an indicator of the ability of the U.S. government to learn about the means and ends of policy in a new international system. In the wake of the Cold War, foreign aid policy can serve as a gauge of American leaders' ability to respond to systemic change through a standard instrument of statecraft.

Whereas foreign aid may initially have represented the conscious redefinition of American goals in light of systemic change, the question we now ask is whether in the face of recent systemic change foreign-assistance policy provides us with some insight as to whether governments continue to learn. The current conditions in the international system have not evinced a pattern to which the U.S. government has developed a new and thorough conceptual prism for viewing American security and diplomatic activities (Sorensen, 1990). In part, the absence of bipolarity multiplies the considerations which American officials must face. The new and emergent configuration of state relations also pushes certain issues such as the environment and economic stability toward the center of American concerns in the international system. The ability of the government to adapt to and master new systemic conditions is therefore an important theoretical problem worthy of serious study.

Research Design: Analyzing Relations Over Time

The objective of this study to determine if policy change follows systemic change is addressed by employing an analysis of the covariations over time between the dependent and independent variables. The eleven years under review provide us with enough time-point observations to follow the patterns of behavior before and after the systemic "breakpoint" to see if patterns of covariation change in response to the external changes. The purpose of a our approach is to determine whether the "breakpoint" has any subsequent impact. Pattern differences before and after the "breakpoint" would differ in a particular manner if the external changes affect the subsequent policy decisions. Like an interrupted time-series design, a our approach follows relations across time.² The significance of particular variables can be monitored across the period under review.

In Chapter 1 we discussed the different theoretical approaches toward state behavior in the international system. Our discussion included varying perspectives about systemic influences on the foreign policies of states. It reviewed the contrasting conceptualizations of systemic constraints on state behavior. In particular, the discussion in Chapter 1

² Interrupted time-series techniques are sometimes referred to as quasi-experimental times series analysis. "The analysis of a time series quasi-experiment ordinarily focuses on a test of a null hypothesis; that is, did the intervention have an impact on the time series? The null hypothesis is teste by comparing the pre- and postintervention segments of the time series" (McDowell et al., 1980: 10).

examined the conceptual connection between systemic contexts and foreign policy choices. From this discussion we proceeded to examine the theoretical question of state learning in the international system and discuss the linkages between systemic change and state behavior. Our examination of this question prompted us to look at the issues of choices and outcomes in foreign policy decision-making. We reviewed the various analytical approaches to state learning with particular attention directed toward the issues of changing policy goals in response to external changes. We contrasted the conceptual definition of learning as productive response to external change with systemic, state-centric, and organizational/individual approaches to the theoretical question of state learning.

In Chapter 2 we reviewed the development of U.S. foreign-aid policy within the larger evolution of U.S. postwar foreign policy. The discussion in Chapter 2 provided an overview of the policy goals developed in response to the transformation of the international system. This discussion illustrated how the United States was capable of changing its basic foreign policy objectives. It also illustrated how the U.S. was capable of developing new means for achieving new foreign policy goals. The underlying thesis in Chapter 2 was that although the U.S. could manipulate the means for pursuing foreign policy goals, its objectives were constrained by the structure of the system within which it operated. Variation

in the application and content of U.S. foreign assistance did not indicate substantive changes in the goals of foreign assistance. The context of foreign policy choices remained stable.

We now turn to the third element of our analysis. We will test our hypothesis about the ability of the United States to reassess its foreign policy goals in the face of systemic change. Recognizing that the U.S. officials have demonstrated this capacity in the past, we will search for empirical evidence that U.S. decision-makers have reoriented their approaches to foreign policy in the aftermath of the recent reconfiguration of the international system. Although the Cold War's end brought about changes in the system that are different from those engendered by the outcomes of the Second World War, the basic outcome, the changed structure of the international system, is just as profound. We will test our hypothesis by executing a quantitative analysis of U.S. ODA commitments to each recipient during each year of our study. Employing U.S. ODA commitments as our dependent variable, we will compare its variance relative to aid recipients' attributes and their significance to the donor-recipient relationships.

The statistical analysis will proceed in three stages. First, we determine the relationship of the interest profile attributes of each recipient and the annual ODA commitments of the United States. Bivariate correlations between the ODA

commitments and each independent variable are calculated with statistically significant relationships indicated. Functional characteristics of ODA-recipient relations will be examined across all recipients. Since level of commitment is an important indicator of the U.S. interest in the recipient, comparison of all recipients will allow us to see whether the recipient profiles have an influence on the amount of assistance committed to each recipient. These bivariate relationships provide information about the types of interests involved in the U.S. assistance commitments, but they do not reveal the cumulative and interactive effects of the profile variables.

Second, in order to determine the relative weights of the various independent variables, and in order to determine the influence of each on the foreign assistance motivations of the United States, we employ a series of multiple regression analyses. Statistical relationships will be calculated for each independent variable for each year along with an aggregate standardized relationship. Using the foreign policy model of foreign aid, we will follow the statistical patterns across the full range of recipients. The series of equations will provide us with statistical information to assess the relative influence of each independent variable on our dependent variable, U.S. ODA commitments. In viewing the coefficients over time, we can determine whether particular

changes in weight and direction reflect changes in the motivations behind the allocation of U.S. ODA.

Third, we will determine whether the period before the "breakpoint" is statistically different from the period after the "breakpoint." A regression of all the independent variables against the dependent variable for the entire 1982-1992 time frame will be compared to regressions for those variables for two subsets of that time frame. The two reduced time frames will be 1982-1989, representing the pre-breakpoint policy period, and 1990-1992, representing the post-breakpoint policy period. This series of operations will provide information about the relationships between the profile variables and the dependent variable during both sets of time. Additionally, to determine if the two periods are statistically different, a regression analysis of the entire time frame will be undertaken with a dummy variable representing the two time-period subsets. This procedure will determine the statistical significance of the period variable. If we find a statistically significant relationship between ODA commitments and the period dummy variable, we can infer that the relationships between the variables in our model over the two time periods are different.

Finally, we will test regional variations by repeating the period analysis operations on the dependent and independent variables for certain regions. Because we recognize the complex nature of foreign assistance, and in

order to account for regional priorities that an aggregate analysis might fail to reveal, we will apply the correlation and regression operations outlined above to specified regions of aid recipients. Through this method we will determine if policy behavior toward those regions varies across space and time. Reducing the analysis to regional comparisons allows us to investigate policy priorities for each region and provides additional considerations about the learning hypothesis. Even though U.S. development assistance can be analyzed validly in its entirety, its regional components need to be accounted for.³ Since it is our contention that learning is reflected in changes in policy outputs, our analysis will enable us to examine the relevance of the three interest priorities before and after the end of the Cold War in order to make an empirically based conclusion.

Definition of Concepts

In this study our focus is on the economic-assistance component of the U.S. foreign-aid commitments. The dependent variable--bilateral Official Development Assistance (ODA)--is separated from military assistance because this investigation is concerned with changes in the goals of foreign policy in response to changes in the international environment. Military assistance unambiguously serves the security interests of the

³ Regional variations also would suggest additional research areas to examine in order to broaden the scope of theoretical and practical investigation.

United States. Much of the debate about foreign assistance throughout the postwar period revolved around the direct purposes of aid. Whereas foreign assistance in the 1950s was primarily directed toward security aims, since then the distinction between military assistance and economic assistance goals have been more pronounced, at least in terms of their funding authorizations and organizational control.⁴

Most U.S. Official Development Assistance (ODA) funds are administered through the United States Agency for International Development (USAID). As reviewed in the previous chapter, USAID was established in 1961 under President Kennedy's Foreign Assistance Act and it succeeded institutional arrangements for aid administered under the Mutual Security Act. USAID is under the formal direction of the State Department. Besides the development assistance loans and grants obligations administered by USAID, ODA transfers include the Economic Support Fund's⁵ security support grants

⁴ This does not discount the problem of fungibility in distinguishing economic from military assistance. As Wood (1986) and others have pointed out, economic assistance may give foreign governments funds which free up their own resources for military purposes and military assistance may provide the opposite benefit.

⁵ Whether the Economic Support Fund (ESF) is a security or a development component of aid policy is an often-debated issue. Sewell and Contee (1987: 1021-1022) argue that even though "ESF cannot be used for military purposes, and Congress has mandated that the program be used in a manner that is consistent with economic development," it should be categorized as security assistance because "the funds are largely allocated to U.S. allies on political or strategic

and loans, the Food for Peace (Title II), and obligations for the operations of the Peace Corps.⁶

Because our question concerns the foreign-policy behavior of the United States, we restrict our definition of ODA transfers to the bilateral commitments of the U.S. government to other governments. A basic premise of this study is that foreign policy outputs--in this case the distribution of bilateral foreign assistance--reflect the foreign policy goals of the state. Although the U.S. provides substantial funding to various multilateral agencies involved in assistance funding, programs and planning, the control of resources and objectives through bilateral obligations is more direct and the foreign policy connections of these commitments are more overt. Furthermore, the U.S. has consistently preferred

grounds (for example, as part of the Camp David Accords, or to guarantee U.S. access to bases or other facilities) rather than in support of long-term U.S. economic interests or development objectives." Ryan (1990: 167), however, contends that ESF is "economic assistance regardless of the motivations behind allocating it." Ryan's position illustrates the difficulty in clearly distinguishing the elements of aid from its purposes. It also illustrates how foreign assistance is a malleable tool of policy. Ryan reinforces the long-held belief that economic well-being is a basic ingredient of security. Thus, "ESF (whether or not it is fungible and thus frees money for military purchases as some claim) addresses economic, not military needs" (Ryan: 167). See also Curry (1989).

⁶ As the dependent variable in the study, U.S. development assistance defined here coincides with the Organization for Economic Cooperation and Development (OECD) guidelines for defining Official Development Assistance (ODA).

bilateral arrangements over multilateral ones.⁷ As Secretary of State, Alexander Haig (1981:21) expressed this preference when he stated, "It has been our experience that we achieve greater precision and greater value to the American taxpayers if we emphasize bilateral assistance."

In this study we contend that foreign assistance is unquestioningly a component of the foreign policy of the United States. We acknowledge that foreign policy is multipurposive. In order to determine whether the U.S. government learns from systemic change we must specify the goals of foreign assistance. This is a considerable task given the diffusion of assistance to as many as 100 recipients in any given year and the diversity of those recipients both in terms of their political importance to the U.S. and in terms of their domestic characteristics that warrant their need for aid.

In order to determine whether policy reflects a change in orientation we will test over time the relationship between ODA flows and the possible motivations for assistance. Using the end of the Cold War as the "breakpoint" in our analysis,

⁷ For example, in FY 1990 U.S. obligations through AID were nearly \$7 billion, whereas U.S. contributions to international financial institutions amounted to only \$1.5 billion (U.S. Agency for International Development, 1990). Most multilateral development assistance is dispensed through agencies such as the World Bank. The U.S. also provides funds and technical assistance to specialized agencies of the United Nations. The U.S. Treasury Department, rather than USAID, has responsibility in matters of multilateral assistance (Gimlin, 1988).

we will look to see if the end of the Cold War had any impact on the patterns of ODA commitments.⁸ If learning is evident in foreign assistance policy, the patterns after the "breakpoint" should differ from those prior to its introduction.

To identify the goals of development assistance before and after the "breakpoint," we will build upon the methodological approach developed by R.D. McKinlay (1979, 1978) which informed his "foreign policy model" of foreign assistance. His model proved enlightening in its statistical validation of the foreign policy emphases behind U.S. foreign assistance during the 1960s. As it is our intention to add to the cumulative steps necessary for understanding foreign policy behavior, we will supplement McKinlay's research in several ways and build upon McKinlay's research strategy. We adopt the basic features of McKinlay's foreign policy model of foreign assistance. One important contribution of this approach is the use of multiple indicators to identify the

⁸ 1989 is perceived as a "breakpoint" because of the dramatic events that occurred. The end of Soviet hegemony in Eastern Europe, signalled dramatically by the dismantling of the Berlin Wall, Moscow's announced willingness to sign a Strategic Arms Reduction Treaty (START) (see Spanier, 1992), and the rise of fledgling democratic governments in former communist states all pointed to a radical transformation in global politics. The events, however, were symptoms of a more protracted development in the political relationships in the Eastern bloc. Our study includes a sufficient time frame to see if the transitions that eventually erupted in 1989 were recognized in the ODA commitment patterns for years prior to that date.

varying dimensions of U.S. interests in its ODA relationships with recipient states.

The annual ODA commitments of the United States to recipient states are conceived of as the dependent variable. We consider this more indicative of U.S. aid behavior than the actual disbursements for three reasons. First, the commitments reflect the level of existing political interest observable through the policy process as priorities are identified and allocations are decided upon. Second, actual disbursements are often administered after a prolonged "lag time" has intervened such that the commitments can differentiate the political interest from the point of allocation. Third, since we are reviewing very recent data, the commitments may not have been converted into actual transfers. Because we are interested in the nature of the aid relationship at the time of commitment the ODA allocations are more useful representations of the interests of the U.S. in the recipient states.

The ODA commitments will be considered relative to several important categories of characteristics of recipient states. Accepted measures of recipients' social welfare, economic development, and militarization are used as indicators of the humanitarian, economic, and security interests of the U.S., respectively, in each recipient state as it relates to U.S. assistance transfers over time. This set of donor interests deviates from McKinlay's model in that it collapses the model's five potential donor interests into

three.⁹ In an effort to render McKinlay's design more parsimonious and more clearly delimit the independent variables, we advance three distinctive interests.¹⁰ These concerns were prominent considerations in American foreign economic policy throughout the Cold War. Furthermore, the humanitarian component included in this study expands the profiles of recipient attributes. In effect, the desire for parsimony does not diminish the scope of potential interests that might affect the ODA commitments of the U.S. government.

Policy Interests in Aid Transfers

Throughout the postwar period the debate about the objectives of foreign assistance has centered around the categories listed above. As stated before, foreign assistance serves multiple purposes. As the recent U.S. initiatives in Somalia and Bosnia demonstrate, U.S. assistance often serves several purposes simultaneously. But the issues of humanitarian, economic, and security rationales for economic assistance can be identified separately.

⁹ McKinlay's model examined the following donor interests as potential factors in the foreign assistance transfers from donor states: 1) security; 2) power political; 3) trading; 4) development and performance; 5) political stability and democracy. This departure from McKinlay's model is consistent with Hook's (1994) categorization of interest variables and follows the design he employs in comparing the donor-recipient relationships of the United States, Japan, Sweden, and France.

¹⁰ Our goal is to overcome the ambiguities in his typology between such categories as trading interests and political stability.

First, since its inception, foreign assistance has been perceived as a humanitarian policy through which the United States gives resources to states in economic and social distress. The foundations of American foreign aid were set in the postwar conditions of hardship toward which American leaders responded. Rostow (1985: 80), who authored one of the defining approaches to development assistance in the late 1950s, noted that American foreign aid was an expression of American values. "It appealed to the missionary spirit . . . and it represented the kind of concrete, constructive response to problems which instinctively caught the nation's imagination." Consistently, American leaders have expressed concern over the conditions of poverty, malnutrition, and ignorance in developing societies and they have maintained that foreign aid programs should address those problems.

Because of the ongoing argument that the level of need should be the determining factor in ODA allocations, and because of the dramatic alterations in the global systemic configuration, humanitarian concerns are important considerations for determining the foreign policy objectives of foreign assistance. Therefore, we will include social-welfare measures of relative recipient need, such as life expectancy and per-capita daily caloric consumption, and look for patterns in ODA transfers that may expose need as an important consideration. However, whereas government officials often recognize the strong humanitarian concern underlying

foreign assistance commitments, observers, such as Gilpin (1987: 312) argue that "the primary motives for official aid by individual governments have been political, military, and commercial."

Humanitarian profiles of recipients

The indicators of humanitarian need include

- the life expectancy of individuals in each recipient state; and

- their daily per-capita caloric consumption.

While each indicator is related to the others in important ways, singularly each reflects a different complexion of the needs in recipient states. Life expectancy certainly reflects the societal welfare conditions as it encompasses the effects of various characteristics such as population growth, infant mortality and health care availability. Per-capita caloric consumption is considered as a separate component of social welfare. Its focus on nutrition reflects variations that can be attributed to agricultural conditions, general economic or emergency conditions and quality of life considerations not directly connected to infant mortality or lifespan. This indicator also illustrates a relative difference between developing countries and developed countries. The United Nations Economic and Social Council (1990: 90) stated: "Dietary energy supply, or the supply of calories, in 1987-89 in developing countries was 72% of that in developed countries"

In both the pre-breakpoint and post-breakpoint portions of our analysis it is the premise of this motivation profile that if the U.S. policy reflects humanitarian interests, its ODA flows will be transferred to states whose levels of need are reflected by these two indicators. Cross-national variations in recipient need will be compared and contrasted to variations in ODA transfer patterns to determine if humanitarian considerations are motivating the aid relationship.

Secondly, foreign-aid policy has often been subject to arguments about the contribution which such relations can make to the economic welfare of the United States. Often the desires to increase or secure markets abroad have found voice in the deliberations over aid policy. Specifically, foreign assistance is often "tied" to American exports of agricultural goods or other commercial goods and services. While these exports are ideally designed to benefit recipients, they are also designed to benefit the U.S. economy. Levels of commitment are seen as being related to the economic importance of the recipient to the donor. Because economic considerations have persisted throughout the tenure of foreign assistance, and because "low-politics" issues are increasingly receiving greater attention in foreign policy, economic considerations are also important factors to take into account in determining the objectives of U.S. ODA transfers. Along with humanitarian profiles of recipients, therefore, we will

include measures of American economic interests the recipient states' Gross National Products (GNP) and U.S.-recipient trading ties in order to determine the relative importance of economic interest in ODA transfers.

Economic profiles of recipients

The indicators of economic interests include

- each recipient state's gross national product, which indicates the total amount of goods and services produced in each state in a given year; and

- the volume of trade (U.S. exports) between the United States and each recipient state in each year.

The GNP of each recipient state represents the volume of economic activity that occurs in each year in each state. As a measure of economic interest, recipient GNP serves as an indicator of the actual and potential capacity of the recipient state to engage in producer/consumer relations with the United States. Trade between the U.S and each recipient state signifies the level of economic interdependence between donor and recipient. Bilateral trade levels for each year indicate the market importance of each recipient and are used to indicate the economic interest of the U.S. in the recipient.

In relating cross-national variations in recipients economic profiles to variations in the patterns of U.S. assistance commitments we will attempt to determine statistically if the relationship varies according to the

economic conditions of the recipient states. If such a pattern emerges we can infer that the U.S. selectively transfers ODA funds to states that serve its economic interests. Those interests may include securing overseas markets for investment and trade, expanding existing markets, and maintaining economic ties with states that may supply economic goods to the U.S. economy.

Finally, from Truman to Clinton, U.S. leaders have extolled the virtues of extending foreign assistance as a means to enhance U.S. security. Especially during the Cold War, successive U.S. administrations have seen the political, military, and socioeconomic conditions in recipient states as important factors to be considered in the overall security posture of the United States. Packenham (1966) found that AID officials overwhelmingly perceived foreign aid as a way to serve American interests. Assistance has consistently been offered to states that support American security interests, often as payment for base rights for American armed forces overseas. And assistance has consistently been offered to supportive governments as a way to bind them within U.S. alliance networks. As a recent example, during the Reagan administration, U.S. aid was concentrated among "major recipients representing . . . established security interests" (Kegley and Hook, 1991: 309). The military posture of recipient states has often been an important factor in determining the levels of assistance.

In order to determine if American ODA interests are related to the security profiles of recipients, we will look for such a relationship by including each recipient's absolute military spending totals and relative conscription rates indicated by the armed forces per thousand people.

Security profiles of recipients

Indicators of security interests include

- each recipient state's absolute level of military spending;

- the number of individuals in each state's armed forces per 1000 population.

The assumption underlying this component is that the U.S. supports states that engage in self-defense efforts that may enhance the security interests of the United States. Both absolute and relative indicators of militarization are considered so as to demonstrate the overall size of the state's military commitment and the significance it attaches to its security. The two indicators of recipient militarization will be examined to see if covariations exist between those indicators and the level of U.S. ODA commitments. If statistical evidence of covariation is present, we may infer that the security profile of recipient states is related to the security interest of the U.S. and is therefore reflected in the aid relationship.

The three broadly defined categories of recipient attributes are represented by the composites of independent

variables explained above. By comparing the level of U.S. ODA commitments and the three profiles of recipient characteristics, our goal is to determine empirically the objectives of foreign assistance during the eleven-year period from 1982 to 1992. The time frame encompasses a significant enough period to monitor assistance patterns before and after the 1989 "breakpoint" of the Cold War's end. It allows us to draw relevant conclusions about the direction of current foreign aid policy given the recent transformation of the international system. Our longitudinal design allows us to identify whether policy reflects those profound changes. It also affords us the opportunity to see if policy adjustments are apparent after some initial lag following "breakpoint."

In this study we attempt to explain the level and direction of U.S. ODA transfers to recipient states. Because we contend that outputs are useful indicators of foreign policy goals, and because policy outputs often contradict policy rhetoric, we will use ODA commitments in order to see if policy changes in response to systemic changes. Hypothetically, over time the patterns of U.S. ODA flows should reflect the systemic transformations and therefore reflect state learning. The patterns of aid as they relate to the three possible motivations before and after the Cold War breakpoint should, at least hypothetically, be different. The predominant political and security emphases of foreign assistance during the Cold War should shift, if learning is

evident, toward either humanitarian or economic emphases to reflect the diminution of military concerns and the ascension of "low politics" issues in American foreign policy priorities.

Threats to Validity

We must consider the various threats to the statistical conclusion validity, threats to internal validity and threats to the external validity of this study (see Cook and Campbell, 1979). In the first category, we will examine the possible threats to drawing valid conclusions about the covariation between our dependent and independent variables. In the second category, we will describe how this study is designed to ascertain the causality between the dependent variable--U.S. ODA commitment patterns--and the various independent variables--the multiple attributes of recipient states. In the third category we will examine how this research approach and its conclusions can be generalized across other time frames and spatial contexts.

Threats to statistical conclusion validity such as low statistical power can be minimized by employing an adequate sample size. This study ensures that incorrect Type II errors will be avoided by incorporating a large number of cases in each of the years under review. As stated previously, the United States disburses aid to the vast majority of developing states. For example, in FY 1981 states receiving USAID

administered assistance numbered 68, in FY 1984 they numbered 72, in FY 1988 they numbered 81, and in FY 1990 they numbered 84 (U.S. Agency for International Development).

The reliability of measures is also controlled by using the large aggregate sample. In this analysis the problem of unreliability is important because "unreliability inflates standard errors of estimates and these standard errors play a crucial role in inferring differences between statistics...." (Cook and Campbell, 1979: 43) Since our conclusions are based upon the statistical relationships uncovered in the analysis, the stability provided by the units of recipient states and their relative attributes increases the probability that our statistical analysis will reveal valid empirical relationships.

Reliability of treatment implementation is a condition of the type of data employed and the sources from which it comes. This study will use the World Bank's World Development Report series, the OECD's Geographical Distribution of Financial Flows to Developing Countries series, the International Monetary Fund's Direction of Trade Statistics and the U.S. Arms Control and Disarmament Agency's (ACDA) World Military Expenditures and Arms Transfers series for the years under investigation. While they have problems connected with comparative cross-national data compilation, these serials are regarded as sufficiently refined for purposes of academic study. As many observers have noted, irregularities are a fact

of life in cross-national data analysis. But, as Moon (1991: 28-29) contended, "so long as the errors are relatively small and randomly distributed, they need not be viewed with great alarm. Errors in individual data points do not seriously bias the parameter estimates in a study with . . . a large sample unless the error is quite systematic." Using the World Bank's, OECD's, the IMF's and ACDA's series for each of the years under investigation means that the independent variables in effect standardizes the recipient variables across the entire analytic time frame.

Looking at the prerequisites for internal validity, we must consider the threat of "history." A major threat to our design is the effect of "history" in the sequence of over time relations between the dependent and independent variables. This is related to the possibility that external factors not related to the hypothetical "treatment" can affect statistical relations between the dependent variable and the independent variable after the introduction of the "treatment." Because we do not have the advantage of working within a controlled laboratory environment, we cannot control the introduction of outside influences. Instead, we will address this problem by using the large sample so that even though external factors may intervene, the effects should be diminished by the size and variation of the cases in the post-breakpoint years.

There is also the possibility of a maturation alternative interpretation of the influences of the dependent variables on

the ODA flow patterns after the breakpoint. Maturation processes would suggest that some change in the assistance patterns is related to factors other than the condition of the recipient attributes after the "breakpoint." By looking at the distribution patterns over the time span in this analysis, we should be able to uncover evidence that changes occurring after the breakpoint were initiated prior to that point in time.

Another threat to internal validity to consider is instrumentation. Instrumentation bias would suggest that the manner in which we developed our indicators and the methods we use to measure the relationships between the dependent and independent variables somehow affect the statistical and substantive results of our analysis. By using consistent and reliable data sources and by clearly stating the rationale for using the various indicators of recipient interests and the statistical strategy outlined above, however, we present a reliable means of testing the relationship between the variables. Together, the humanitarian, economic, and security profiles are representative of the hypothetical considerations involved in the U.S. ODA motivations. Thus, the empirical findings soundly reflect the statistical and substantive inferences of causality.

The threat of regression concerns the effect of an initial classification on the basis of some characteristic that affects their measurement at some later time. The

classification of recipients does not involve a subgroup of states receiving aid. The recipients are essentially the total pool of U.S. aid recipients.¹¹ The reliability of the measures used in this analysis also diminishes the regression effects and in conjunction with fact that a near-total population of aid recipients is included in our analysis it depresses the magnitude of the regression (see Cook and Campbell, 1979, Chapter Two).

Selection of cases may also be a threat to the internal validity of this study. This results when the set of variables in the study changes at the time of the intervention, our "breakpoint". We have constructed a consistent set of cases to make valid generalizations about the causal relationship between the individual attributes and the ODA flows. Since the United States is the only donor under review in our study, the cross-national generalizations we might propose could be qualified. However, we have presented the issue of ODA commitments within a broader theoretical context which can be expanded in its design to infer behavioral patterns among other states. And with the selection of recipients on the basis of just their status as recipients, we avoid formulating conclusions that do not pertain to any sub-group of recipient states.

¹¹ The pool of recipient states includes all recipients with populations over one million. Non-reporters are excluded from this analysis.

A final threat to internal validity is ambiguous causation, or the ambiguity about the direction of causal influence. We address this threat by incorporating a time lag between the ODA commitment decisions and the data reported on the attributes of the recipient states. Since we have hypothesized that these attributes are causally related to the ODA commitment levels, we use a one-year lag to assure that the causal factor (recipient attributes) precedes the policy outcome. To determine causality this temporal precedence is clear. In the analysis, ODA commitments for any fiscal year are regressed upon recipient attributes reported one year prior to the determination of the assistance commitments. This allows for the time involved in the policy deliberation following the availability of information about the recipient states' internal attributes. It also allows for the deliberative processes to be converted into legislative action based upon the information and priorities resulting from its review. Moreover, the investigation of the relationship between ODA commitments and the recipient's profiles covers multiple time periods which increases the validity of this temporal antecedence.

In considering the main threats to the external validity of our study we have to consider whether the results of our statistical analysis are generalizable across different states and at other time periods. Furthermore, the theoretical issues which this study addresses suggests that we must also

be concerned with the applicability of this design and its findings across other issue areas. This study is only limited by the types of data utilized and the types of statistical methods employed. In part, our conclusions are conditioned by the validity of the data reported by the organizations which report them. Because of the nature of cross-national data compilation, these statistics inevitably reflect inconsistencies. But the constraints which researchers confront in controlled settings are avoided (see Cook and Campbell, 1979). The causal inferences of this analysis can be interpreted more broadly because of the nature of the groups of states examined, containing a majority of the members of the international system. And the expansion of theoretical and substantive inferences is not totally constrained by the single donor composition in the dependent variable. Obviously the United States is a unique entity among state entities. But as a state it is constrained by the same forces that operate in the system of states and influence the behaviors of all state leaders. Our theoretical basis also enhances the generalization of the design and its findings in analyses of different time periods and of different policy issues.

Regarding all these sets of threats to the validity of this research, the design of the study is clearly outlined to make it understandable and replicable. The data used in this analysis are universally available to social scientists which affords any who may be interested an opportunity to replicate

this analysis or broaden the range of study across other time frames. We incorporate standard statistical techniques which can be easily understood and repeated. The importance and timeliness of our theoretical question suggests that further tests of the generalizations of this study need to be pursued and further issues explored.

CHAPTER 4 ANALYZING U.S. ODA-RECIPIENT RELATIONSHIPS

Thus far we have reviewed the connections between the development of U.S. foreign assistance and the broader developments in U.S. foreign policy since the Second World War. We briefly discussed the modifications in the scope and the application of this foreign policy tool and their relationship to the systemic changes that occurred during the postwar period. Our investigation of foreign-aid policy as a gauge of the government's ability to learn leads us to examine recent data to see if policy reflects a changed perspective in the application of this policy means in light of the changed condition of the international system. As we have seen, the initiation of foreign assistance was an indicator of U.S. decision makers' abilities to recognize the structural arrangement of the postwar international system and develop a policy which would serve the interests of the state. Public sentiments notwithstanding, foreign assistance consistently has been provided to the majority of lesser developed countries as a means of gaining political capital among these states. Above all, the goals of U.S. development assistance have been linked directly to the single determinate objective

of containing Soviet power and communist expansion in the Cold War.

As we discussed in Chapter 2, the perspectives of the Reagan administration followed the pattern of using foreign aid to assist U.S. allies in the global competition between the United States and the Soviet Union. President Reagan's shift back to more overt security rationales was another bump in a containment policy road from which no postwar president had really deviated. The developmental thrust of U.S. assistance was always shaded by the umbrella policy of containment. The institutionalization of development assistance under the Foreign Assistance Act of 1961 did not reorder the priorities of foreign policy goals pursued by U.S. development assistance. The Alliance for Progress, the New Directions legislation and the Basic Human Needs strategy never significantly deviated from the course of this security-driven policy means. And security was defined consistently in terms of the geopolitical exigencies resulting from the military-strategic competition between the two dominant powers in a bipolar international system.

However, the question of state learning is important because the system that helped to shape U.S. foreign policy during the forty-five years following the Second World War changed rapidly at the end of President Reagan's tenure as chief executive. The development assistance issue area is suitable for pursuing the question of state learning not only

because it began as a response to structural changes, but also because its history reflects the continuous influence of structure on state goals. Foreign assistance is now a standard policy means whose long-standing objectives no longer exist.

Hypotheses

The sudden collapse of the Cold War order took most American foreign policy-makers by surprise. The swiftness of events such as the reunification of Germany, the ousting of communist regimes in Eastern bloc states, the discontinuation of the Warsaw Pact, and eventually the disintegration of the Soviet Union signaled the emergence of a "New World Order." The issues currently facing U.S. policy makers are not new so much as they are redefined. The problems of international debt facing developed and developing states, of population growth hindering economic progress in many underdeveloped nations, of ethnic conflict in new states emerging from the remnants of the Soviet empire and in developing states still struggling to construct coherent national identities, of drought and famine and disease in poor states whose resources are not sufficient to meet these crises, of nascent democratic initiatives in states with long histories of nondemocratic governance, and of economic uncertainties in a global economy increasingly shaped by the unregulated constraints of interdependence, must be considered from perspectives unrelated to the bipolar Cold War preoccupations of the past.

Foreign policy is, by definition, formulated to serve the interests of the state. Because the system within which states exist is not governed by any transnational organizational imperative, but instead by the logic of self-help and the international arrangements and norms that follow this logic, states in the post-Cold War era are still primarily concerned with their own security. For the United States, the absence of bipolarity does not change this basic premise of state behavior. However, as Moran argues (1992: 318), "In the security environment of the future, dangers are likely to be more diffuse, the connections between them and the policies to respond to them more murky, and the need for sacrifice in order to advance national interests more opaque than in the period of bipolar antagonism." The shadows of military priorities over security policy no longer fully cover all of these dangers.¹ But it is the nature of the system that assures the existence of dangers and the continued prominence of security concerns no matter how security issues are defined. "The array of threats to American well-being on today's horizon is no less real than in earlier periods and in some cases may turn out to be even more troublesome" (Moran:

¹ Nelson (1994: 30-31) argues that the inability of individual states--even the most powerful states--to resolve "critical socioeconomic or political problems" has pushed states to act less autonomously toward these problems. According to Nelson, "A state's raw power no longer translates directly into tools relevant to challenges of the twenty-first century, and security defined in military terms is no more a guarantor of peace and prosperity."

307). The United States has no equals in the international state system. No nation possesses global interests on a scale comparable with the U.S. Internationalism continues to define the character of U.S. foreign policy. Even in this "unipolar moment" (Krauthammer, 1992), U.S. interests are dictated by the nature of the international political environment.

The three interest issue areas described in Chapter 3 are interconnected policy considerations in the sense that each issue area is important relative to the overall security interests of the United States. The priorities of the humanitarian, economic and military interest profiles of ODA recipients are the subjects of our empirical investigation designed to see if these priorities change after the Cold War. Humanitarian objectives have consistently been linked to the disbursement of U.S. foreign assistance. Even as each postwar administration reassured the Congress and the American public that foreign aid served the interests of the United States, humanitarian impulses have been firmly entrenched in the public consciousness about U.S. assistance.² Crises are part of the global landscape. U.S. assistance to areas in need of immediate relief of famine or disease, and to nations losing ground against the forces of nature or to people confronting

² Hamilton (1989: 215) points out that even though Secretary of State George Marshall's 1947 Harvard commencement address outlining the European Recovery Program stressed the humanitarian aspects of the crisis in Europe, his sentiments directed to Congress emphasized the political consequences of allowing Europe to "collapse into the dictatorships of police states."

the aftermath of man-made disasters, remains conceptually linked to the character and sentiments of the U.S. public. American prestige is served by its leadership role in supplying emergency relief assistance. To exert influence and to bolster its image abroad, the leadership position carries responsibilities which dictate U.S. responses to the poverty and misery overseas. Much as the Marshall Plan's creators believed that misery opens doors for reactionary political factions, contemporary crises are seen as situations which can push political changes in many states away from sound, democratically oriented political processes.

U.S. influence, however, is increasingly a by-product of the United States' economy. U.S. economic interests, therefore, are increasingly incorporated into the security calculations in foreign policy-making. The competitive advantages which the United States enjoyed in many economic sectors have eroded over the past three decades. In an international economic environment where the United States can no longer rely on the military-security imperatives of the Cold War to overcome interstate differences, it must build economic ties which can withstand the dilemmas of global economic swings. Increasingly, the U.S. economy is interlocked with other national economies. A strong U.S. economy is necessary to guarantee the security of U.S. citizens. Therefore, to provide for U.S. security, "the U.S. government has to continuously consider the economic strengths and

weaknesses of the nation and its economic competitors" (Nolan and Perruci, 1993: 8). This realization is supported by the findings of the fifth Chicago Council study of American foreign-policy attitudes which, according to Rielly (1992: 127) show that "[a]wareness of global interdependence has grown as substantially more Americans believe that foreign policy makes a major impact on the overall economy" of the United States. Since the 1950s, U.S. policy makers have affirmed the need to support private sector investment, trade, and technology transfer in LDCs. U.S. assistance would provide the "groundwork for sustained domestic growth as well as U.S. private investment and trade flows" (U.S.A.I.D., 1989: 20). While the American public has not expressed enthusiasm for the United States' foreign aid programs, its "objections to U.S. Government development aid are due to doubts about its effectiveness, not about the pragmatic and humanitarian goals it seeks" (U.S.A.I.D., 1989: 24).

Linkages between U.S. security interests and U.S. ODA are not vacuous policy connections in the post-Cold War international environment. The elevation of humanitarian and economic purposes to higher priorities would not discount the security motives served by U.S. assistance. Rather, in a changed international environment, in a post-Cold War system bereft of the bipolar military-political competition between the United States and the Soviet Union, national security policy will include greater attention to the non-military

aspects of global politics. Just as a particular structural context of international politics serves as a constraint on what policy makers can aspire to achieve, it also enables them to pursue certain objectives that another structural arrangement may not.

The changed context of international politics raises expectations about the behavior of the United States at this "unipolar moment" (Krauthammer, 1991). In a variety of foreign policy issue areas the basic orientations of U.S. policy makers may be subject to changes. Changes in how policy makers define U.S. objectives and what they determine is worth pursuing are possible now that the old system is gone. The causal sequence of the learning process begins with external changes. Policy makers have the opportunity to learn in response to changes. In the area of U.S. Official Development Assistance, we advance the following hypotheses and subsequently test them.

- 1) Levels of U.S. Official Development Assistance commitments will be statistically related to recipient profile variables of humanitarian interests, given the increasing relevance of social welfare crises to the political and economic concerns of the United States.

- 2) U.S. ODA will be statistically related to measures of economic interests, given the elevated importance and growing awareness of the United States' economic position in a global

economy no longer shaded by the bipolar geopolitical context of the Cold War.

3) U.S. ODA will be statistically related to absolute and relative levels of recipient militarization at noticeably lower levels in the post-Cold War period as other interest considerations are recognized more clearly as constituent rationalizations for pursuing U.S. interests through the provision of foreign aid.

The U.S. foreign aid program is extraordinary as a policy domain in both temporal and spatial contexts. Its application across varied landscapes of history and geography presents a unique opportunity to study its connections with the foreign policy objectives of the United States. We now look for changes in the relationships between U.S. ODA and the humanitarian, economic, and security profiles of recipients by testing our hypotheses through correlation and regression analyses.

Statistical Analysis

We now test our hypotheses by examining the statistical relationships between U.S. ODA commitments and the interest profiles of the recipient states. Keeping in mind the multifaceted nature of ODA policy and the myriad of states receiving U.S. assistance, we acknowledge the difficulties inherent in an empirical investigation which generalizes across both temporal and spatial contexts. However, as we

discussed in the previous chapter, we employ standard data sources³ and seriously work to make the data as "clean" as possible.⁴ Our investigation provides us with valid opportunities to uncover statistical relationships related to the policy objectives outlined in our hypotheses.

³ We acknowledge the assistance of Mr. Jean-Luis Grolleau of OECD Publications in providing current figures for U.S. ODA commitments and the assistance of Mr. Dan Gallik of the ACDA in providing current figures for recipient states' military spending and relative force levels.

⁴ Missing data are a common problem in analyses of cross national data. For statistical purposes, any observation with missing data for any independent variable in a given year is omitted from that year's analysis. While excluding certain observations can affect the statistical findings, a review of the variables with missing values did not uncover any persistent patterns that might suggest bias in the character of valid observations. An exception in this study is the 1991 values for daily per-capita caloric consumption which are related to the 1992 ODA data. The World Bank's World Development Report only reports figures for this variable through 1989. Figures for 1990 were taken from the FAO Production Yearbook 1992. The African Development Bank reports figures for African states through 1991. In order to complete the profiles for all recipients in 1991, an average of the three preceding years for each recipient was calculated and used. These averages are considered close approximations of the actual values since per-capita caloric consumption for each recipient varies incrementally from year to year. For example, daily per-capita caloric consumption for African states increased less than 10% from 1970 to 1992. Cluster analysis techniques employed so as to generate values for missing data points proved unsuccessful. Output matching with existing data was inconsistent and therefore the values generated were not used in this analysis. Observations lacking figures for the three previous years from which to calculate an average were coded with missing values and not included in the 1992 ODA-recipient profiles analysis.

Bivariate Correlations

The statistical relationships between annual U.S. Official Development Assistance commitments and the individual humanitarian-interest profile indicators of recipient states are mixed. Table 4.1 clearly shows that one prominent pattern in the bivariate relationship between ODA and both life expectancy and daily per-capita caloric consumption is the positive direction of the coefficients over the entire 1982-1992 period. A positive direction suggests a preference for recipients with higher averages of life expectancy and daily per-capita caloric consumption. Given the often professed objective of U.S. assistance to aid countries in need, this finding is striking. The fact that all but four of the bivariate correlation coefficients are statistically significant at least at the .05 level allows us to infer some real connection between annual ODA levels and each humanitarian-interest indicator. Per-capita caloric consumption has a stronger statistical relationship with our dependent variable. For each year the bivariate coefficients are higher than those for life expectancy. The former range from .29 to .40 while the latter range from .05 to .27. Moreover, in each year the coefficients for per-capita caloric consumption are statistically significant at the .01 level, whereas the coefficients for life expectancy are significant

Table 4.1
Correlation Matrix: U.S. ODA and Recipient Profile Characteristics

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
HUMANITARIAN-INTEREST PROFILE VARIABLES											
Life Expectancy	.21*	.23*	.23*	.25*	.27*	.27*	.17	.23*	.05	.09	.20
Caloric Consumption	.33**	.32**	.40**	.34**	.33**	.32**	.33**	.28**	.31**	.33**	.29**
ECONOMIC-INTEREST PROFILE VARIABLES											
GDP	.05	.07	.08	.05	.06	.07	.06	.06	.01	.01	.05
Trade with U.S.A.	.05	.12	.17	.11	.15	.15	.09	.04	.02	.02	.04
SECURITY-INTEREST PROFILE VARIABLES											
Military Spending	.09	.55**	.59**	.63**	.61**	.45**	.46**	.37**	.06	.08	.23
% Population in Military	.48**	.64**	.54**	.63**	.65**	.53**	.45**	.38**	.08	.13	.56**

* indicates significance at .05 level.

** indicates significance at .01 level.

Sources:

- ACDA (Security-interest profile variables)
- IMF (Trade variables)
- OECD (Aid commitments [dependent variables])
- World Bank (All other variables)

only at a .05 level in seven of the first eight years (1982-87 and 1989) and are not statistically significant in the remaining years.

Any inferences that we may make about the relationship of U.S. ODA to these two indicators is bounded by the fact that we have isolated each humanitarian-interest indicator through the correlation operation. Individually, each humanitarian-interest indicator shows a positive relationship with U.S. ODA. If either interest indicator were the sole motivating factor in U.S. ODA decisions then our conclusions about the relationship of either with development assistance commitments could be contained in the statistical relationship conveyed in the correlation matrix in Table 4.1. But we have postulated that U.S. development assistance may be motivated by more than these factors. Simple correlations can only provide us with information about individual bivariate relationships and following these relationships over time only reveals the overall bivariate pattern.

Concerning the indicators of economic interest, the coefficients in Table 4.1 reveal no statistical relationship between U.S. ODA commitments and the recipients' gross national products or their bilateral trade levels with the United States. Each of the coefficients is positive, an indication that U.S. aid may go to countries with higher levels of economic output and larger volumes of imports from the U.S., but their values only range from .01 to .17.

However, all correlation coefficients are statistically insignificant so that we cannot make any inferences based upon the statistical findings. The lack of statistical significance is noteworthy for two related reasons. U.S. aid has often been touted as a policy instrument that helps the United States maintain economic ties with developing states. Over the last several decades the United States has expanded its trade with developing states as U.S. international trade has become a larger component in its economy. The significance of international trade has increased as other industrial nations have expanded their markets abroad. The utility of aid as a means of keeping market options available in developing states is important now that the security focus of U.S. foreign policy includes a greater consideration of the global economic factors that affect U.S. economic well-being. A major consequence of the end of the Cold War is the elevation of economic issues among U.S. foreign-policy priorities. While the demise of the Soviet threat does not remove military concerns from the top of the foreign-policy agenda, without it the economic competition among states becomes more important since security is being defined more inclusively.

The most noteworthy pattern in our bivariate analysis is found in the correlations between the security-interest profile variables and U.S. ODA commitments. As expected, for most years the coefficients for absolute military spending and relative military force levels are higher than those in any

other category. For nine of the eleven years in our analysis (1982-89,1992), relative force measures have a stronger positive bivariate statistical relationship with ODA than variables in the humanitarian and economic interest categories. For these years the coefficients are statistically significant at the .01 level. Absolute military spending measures also surpass measures in the two other categories with higher positive coefficients in seven of the eleven years.

For the purposes of our investigation, weaker coefficients and the absence of significance at least at the .05 level for absolute military spending measures for 1990 to 1992 suggest some interruption in the bivariate relationship. The same occurrence for the relative military force measures for 1990 and 1991 also raises the possibility that some interruption has transpired. The strong positive coefficients for these two measures during the 1980s reinforces the conventional perspective that U.S. development assistance has been provided to states that U.S. policy makers consider important to U.S. security interests. The statistical aberrations in the 1990s are possible signals that some transition is occurring in the interests underlying the use of development assistance. However, without statistical significance it is difficult to make concrete inferences about changes in the bivariate relationship. The rebound of the relative force measures in 1992 with a correlation coefficient

of .56 (statistically significant at the .01 level) increases the uncertainty regarding the relevance of the other weaker security-interest correlations. These findings serve to focus our attention on the more sophisticated statistical regression analysis in order to gauge any changes in the interest rationales that underlie the use of U.S. development assistance.

Regression Analysis

Having examined the bivariate relationships between U.S. ODA and the three possible foreign-policy interest areas motivating U.S. assistance, we now consider the cumulative and interactive effects of these diverse interests. Table 4.2 shows that the connections between the three interest areas and ODA commitments follow a pattern in the 1980s that is consistent with the findings of McKinlay (1979), McKinlay and Little (1977, 1979), McKinlay and Mughan (1984) and Hook (1995) which showed that U.S. assistance is provided to enhance U.S. security interests. The relationships conveyed by the beta coefficients for the 1990s are mixed but raise questions about the presence of change in the formulation of U.S. assistance policy after 1989.

The humanitarian-interest profile indicators exhibit no statistical relationship with ODA commitments with the exception of strong positive coefficients for daily per-capita caloric consumption for 1990 and 1991. As displayed in Table

4.2, among the two humanitarian indicators for the entire period, these two slope coefficients are the only ones that are statistically significant. For the 1980s the beta coefficients are not statistically significant and they oscillate between positive and negative directions. If U.S. ODA were given on the basis of need we would expect the humanitarian-interest coefficients to be consistently negative. Negative coefficients would indicate that, controlling for other factors, more U.S. assistance goes to countries with lower levels of average life expectancy and daily per-capita caloric consumption. The slight increase in the negative coefficients for life expectancy after 1989 would suggest, if they were statistically significant, an increased importance attached to the humanitarian-interest profiles of recipients after the end of the Cold War. The noticeable change in the caloric consumption coefficients for 1990 and 1991 represents an anomaly in that the coefficients for those years are substantially larger than those in any other year and they are significant at the .01 level. None of the other coefficients for either indicator are statistically significant. The positive direction of the two strongest coefficients suggests that recipient need as measured by per-capita caloric consumption does not affect aid calculations. Caloric consumption is an indicator strongly associated with low-income countries. Overall, the results displayed in Table 4.2 suggest that humanitarian interests did

Table 4.2
Regression Matrix: U.S. ODA and Recipient Profile Characteristics
(Figures indicate standardized slope coefficients)

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992
HUMANITARIAN-INTEREST PROFILE VARIABLES											
Life Expectancy	-.03	-.02	.07	-.04	-.05	.03	-.10	.07	-.29	-.28	-.14
Caloric Consumption	.22	-.04	.21	.18	.08	.08	.18	.08	.53**	.49**	.22
ECONOMIC-INTEREST PROFILE VARIABLES											
GDP	.13	-.06	-.16	-.22	-.24	-.18	-.32	-.40*	-.08	.13	.07
Trade with USA	-.14	-.05	-.32	-.23	-.01	-.09	-.06	-.20	-.09	-.11	-.07
SECURITY-INTEREST PROFILE VARIABLES											
Military Spending	-.63	.32*	.77**	.67**	.50**	.42*	.54**	.67**	.05	-.21	-.08
% Population in Military	.47**	.53**	-.01	.22	.38**	.34*	.26	.18	.02	.29	.64**
Adj. R ²	.23	.46	.44	.56	.53	.36	.35	.27	.06	.11	.37

* indicates significance at .05 level.

** indicates significance at .01 level.

Sources:

- ACDA (Security-interest profile variables)
- IMF (Trade variable)
- OECD (Aid transfers [dependent variables])
- World Bank (All other variables)

not noticeably influence the formulation of U.S. assistance policy before or after the 1989 breakpoint.

Turning to the economic-interest profile variables, the size of recipients' gross national products and bilateral trade volumes with the United States appear to have little influence on U.S. aid commitments. The negative coefficients in nineteen of the twenty-two cells in Table 4.2 suggest that U.S. policy makers had relatively little interest in the economic benefits which aid could gain or maintain in the recipient states. Low levels of GNP are associated with lesser developed states and a negative relationship between GNP and U.S. ODA commitments could signify that aid is given to poorer countries. Since the purpose of foreign assistance has always been presented in terms of helping economically disadvantaged states, a negative relationship should not be surprising. However, in terms of U.S. economic interest, the use of U.S. development assistance in maintaining political and economic ties with states that are relatively larger in terms of economic output, states with potential as markets for U.S. goods and services, and the use of aid to reinforce ties with states that are involved in bilateral trade with the United States are not reflected in the regression output. Nor is there any evidence of the redirection of U.S. aid policy along these economic interest dimensions after the Cold War.

The security-interest profile variables which were statistically associated with U.S. ODA commitments in the

bivariate analysis continue to show strong patterns of covariance when the presence of the other interest-profile variables are controlled for in the regression analysis. In Table 4.2, recipients' absolute levels of military spending are statistically related to U.S. ODA commitments in seven of the eleven years in our study. Relative militarization levels as measured by the number of citizens in the military per 1000 population in recipient states are statistically related to U.S. ODA in five of the eleven years. For both categories, the significant coefficients are strongly positive. For military spending the range of significant coefficients is .32 to .77. The range for the statistically significant relative militarization coefficients is .34 to .64.

A salient facet of the regression results presented in Table 4.2 is the interruption in the pattern of strong positive covariance between absolute military spending and ODA after 1989. Whereas the coefficient average for the preceding seven years is .54 and significant at least at the .05 level, the last three coefficients in the table range from .05 to -.21 and are not statistically significant. We must consider whether the changes in the slope coefficients for military spending after 1989 signify substantive changes in the interest calculations considered in foreign aid policy formulation. Together with the demonstrable variation in the beta values for caloric consumption for 1990 and 1991, and the change in the bivariate relationships between the

security-interest variables and U.S. development assistance after 1989, the marked difference in the beta values for military spending suggest a different relationship among the interest categories and ODA commitments for these years. The coefficients for relative militarization alternate from statistically strong positive values to non-significant lower values across the entire time frame. The pattern between this interest indicator and U.S. ODA cannot reinforce the strength of any inference we might make about the changes in interest calculations involved in ODA policy making. The rebound of the relative militarization coefficient for 1992 to a value of .64, significant at the .01 level, complicates the inference that ODA policy formulations following 1989 are different from those up to that point. Based upon the regression results alone, however, the differences between what occurs before 1989 and what occurs after 1989 are not clearly discernible.

It is clear that something different is occurring. The interruption of the patterns between the interest variables and U.S. ODA commitments is apparent. For example, the weaker R-square values for 1990 and 1991 suggest that our model is less explanatory for those years. The lower R-square values make it difficult to assess the relevance of the significant high values for caloric consumption for 1990 and 1991. However, the decline in the R-square values is an important change. Although using the statistical relationships to gauge policy direction makes it difficult to determine conclusively

the nature of policy changes after 1989, the statistical evidence infers that changes are apparent. The direct ODA-security relationships of the 1980s conveyed in the foreign-policy model do not continue after the breakpoint. The breakdown of the model's explanatory power may signify the lack of coherence in policy formulation as policy makers faced uncertain conditions as the international system changed after 1989.

Therefore, the importance of the interruption in the strong patterns of covariance between ODA and security interests is related to the changing context of U.S. assistance policy. The patterns of ODA-security covariance for the 1980s are consistent with a systemic explanation of U.S. assistance policy formulation. While the Cold War continued U.S. commitments reflected the military-security bases of U.S. foreign policy. The structural change that transpired at the end of the 1980s is reflected in the changes in the patterns of covariance between U.S. ODA and security-interest variables after 1989.

To interpret the findings in Table 4.2 we need stronger statistical evidence about the apparent change in the strong pattern of covariance between security-interest priorities and ODA commitments. The changes suggested by the 1990s figures are not accompanied by shifts in the other categories. If our hypotheses about the elevation of humanitarian and economic interests in the calculations of ODA priorities were to be

confirmed, coefficients for those variables would show greater covariance with the dependent variable. Our statistical evidence implies that the period after 1989 is different from the period up through that year. The regression results cannot suggest how the later period is different. The results suggest that in light of the profound changes that transpired in the international system, ODA-policy formulation after 1989 was disconnected from the traditional interests upon which it had been based.

In order to further explore the possibility that the two time periods show different patterns of statistical relations between the interest variables and the dependent variable, we repeated the bivariate and regression operations for both periods. The results from these operations are compared with results for the entire time frame and presented in Table 4.3. From the bivariate comparison we can see that differences observed in the earlier operations continue to hold. The humanitarian-interest variables are positively related to development assistance in all three periods. As in the previous results, the correlation coefficient for life expectancy drops after 1989 and is no longer statistically significant. Daily per-capita caloric consumption continues to show a significant positive relationship over both periods.

Economic interest variables differ slightly in the bivariate case from the previous findings. While the GNP coefficients are neither sizable nor significant in any

Table 4.3
Period Comparisons
Correlation and Regression Matrices

	Correlation Coefficients				Regression Coefficients		
	1982-92	1982-89	1990-92		1982-92	1982-89	1990-92
HUMANITARIAN PROFILE VARIABLES							
Life Expectancy	.11**	.23**	.07		-.09	-.02	-.22*
Caloric Consumption	.23**	.33**	.26**		.24**	.12*	.41**
ECONOMIC PROFILE VARIABLES							
GMP	.03	.06	.01		-.05	-.07	-.05
Trade with USA	.04	.10*	.01		-.05	-.06	-.06
SECURITY PROFILE VARIABLES							
Military Expenditure	.14**	.35**	.07		.08	.19**	.01
% Population in Military	.22**	.53**	.12		.16**	.48**	.10
				Adj. R ²	.09	.37	.09

* indicates significance at .05 level.
 ** indicates significance at .01 level.

Sources:
 - ACDA (Security-interest profile variables)
 - IMF (Trade variables)
 - OECD (Aid commitments [dependent variables])
 - WORLD BANK (All other variables)

period, the trade coefficient for the 1982-1989 period is positive and significant at the .05 level. The .10 value of the 1982-1989 trade coefficient, however, indicates that the bivariate relationship between trade and ODA is weak.

The security-interest variables do not appear markedly different in the period analysis than they do in the yearly results. Both the military spending variable and the relative militarization variable show stronger bivariate links to ODA than any of the other variables in the 1982-1989 period. Both are positive and both are statistically significant at the .01 level. The differences between the security-interest variables in the 1982-1989 and 1990-1992 periods coincide with the differences displayed in Table 4.1. Security-interest variables have weaker bivariate links with ODA in the latter period. Neither coefficient is statistically significant. The rebound of the relative militarization indicator seen in Table 4.1 for 1992 is not reflected, however, in the weak value for that variable in the 1990-1992 period.

From the regression results for the two periods we cannot make any further claims beyond those offered previously from the yearly comparisons. Humanitarian-interest indicators are different in the period analysis than in the yearly comparisons. In the 1982-1989 period, daily per-capita caloric consumption is still positively related to ODA, controlling for the other variables. In the period results, however, it is significant at the .05 level for 1982-1989. It is also

positive and significant (at the .01 level) for the 1990-1992 period. Life expectancy for the later period is still negative, but the coefficient achieves statistical significance at the .05 level. Any implications we can derive from these results are difficult to find. The opposite effects of the humanitarian-interest variables on the dependent variable for the 1990-1992 period infer that these measures of recipient need are different in terms of their influence on the ODA calculations. The significant negative value for life expectancy suggests that humanitarian interests are considered in the policy deliberation over ODA commitments. However, the strong positive relationship between ODA and daily per-capita caloric consumption confounds any attempt to relate humanitarian interests to ODA decisions after 1989.

Economic interests are not statistically related to U.S. ODA commitment levels in either period. This coincides with the results in the previous analysis of the yearly relationships. The coefficients for both periods are negative and very weak. Economic considerations after 1989 are not evident in the comparison of the two periods.

Covariance between security-interests and ODA in the period comparison reflects the results of the previous regression analysis. Of the two indicators, relative militarization has the strongest effect on ODA in the 1982-1989 period. Neither variable has an effect on the dependent variable for the 1990-1992 period. The absence of

any noticeable influence of the security-interest variables for the 1990-92 period suggests a difference between the influence of the interest variables in the two periods. Together with the increased weight of the humanitarian variables, the lack of a statistical relationship between ODA and the security-interest variables raises questions about the possible change in the policy formulation for U.S. development assistance. However, the reduction in the R-square values from .37 for the 1982-89 model to .09 for the 1990-1992 model indicates that the our ODA-interest model is less explanatory for the later period. There is no strong statistical evidence to warrant any conclusion about the direction of possible changes in the interest calculations behind U.S. ODA policy formulation after 1989. However, the changes coincide with those seen in the yearly comparisons. The absence of a strong statistical relationship between the security-interest variables and ODA commitments in the 1990-1992 period suggests that ODA-policy formulation for that period is different from the earlier period.⁵ As in the yearly results, the decline in

⁵ An additional multiple regression analysis to test for a difference between the two periods was run for the entire 1982-1992 period with each observation categorized according to time period. The dummy variables for observations in the 1982-1989 period were given a value of zero and for observations in the 1990-1992 period they were given a value of one. The beta coefficient for the dummy variable was statistically significant at the .05 level. Statistically, this result indicates period influence in the model and suggests that the two periods are different. The findings of the other statistical operations, however, cannot lead us to any conclusions about the nature of the difference between the two periods.

the strongest ODA-interest relationship after 1989 suggests that policy makers were reacting to systemic change.

Regional Variations

Interpreting the results of this statistical analysis is further constrained by the fact that a disproportionate share of U.S. ODA commitments during the period under review went to the governments of Egypt and Israel. Table 4.4 shows that the lion's share of U.S. ODA consistently was divided between these two Middle Eastern states. The bulk of the ODA transfers to Egypt and Israel was in the form of Economic Support Funds (ESF), cash transfers to recipients to assist those governments in their struggles to overcome short-term economic difficulties and remain financially solvent. The Carter administration made commitments to both Egypt and Israel as part of the 1979 Camp David agreements. As Lappe et al. (1987: 17) point out, "The rationale behind this massive, ongoing aid is no mystery--to keep U.S. friends in power in a region of vital strategic importance." The disproportionate share of U.S. ODA disbursed to Egypt and Israel reflects the use of ESF for political and security support of strategically important states. In the early 1970s most ESF assistance went to South Vietnam, while Middle Eastern countries received one percent of ESF funds. By the end of the 1970s Middle Eastern countries received over 90 percent (Guess, 1987: 18). Continuation of the commitment of disproportionate shares of U.S. ODA to Egypt

and Israel after the Cold War can be explained by the continuation of the importance shared by these countries to the interests the United States in the Middle East. Securing U.S. interests in the region remains a priority even though regional competition with the Soviet Union for influence among Middle Eastern states has subsided. The 1991 war against Iraq was undertaken without East-West overtones, but the magnitude of the United States' commitment in men and material to the war clearly illustrated how important the region remains to U.S. security interests.

Other regions do not possess the same political and economic linkages. If the funding to Egypt and Israel is removed from the policy equation, we may find that the reasons behind assistance commitments are not as easily identifiable. During the Cold War, the battle for the "hearts and minds" of Third World peoples was fought largely with development assistance. Without the Cold War impetus to gain influence among Third World states, the rationales which prompted considerations of aid are less clearly defined. Without the geopolitical objectives of bipolar competition to underwrite assistance to Third World states, the political capital gained by humanitarian assistance and the economic self-interest served by providing assistance to LDCs with trade potential are motives that are becoming more prominent in the debates over U.S. foreign aid.

To consider whether different regions show different patterns of interaction between the interest variables and U.S. ODA, we include the period comparisons of the interest-aid relationships for African and Latin American states. These two regions account for as much as three-fourths of all U.S. ODA recipients in any given year. As Table 4.5 shows, U.S. ODA commitments to these two regions exceeded U.S. development assistance to Egypt and Israel in only four of the eleven years under review. That Egypt and Israel consistently received more U.S. ODA funding than Africa and Latin America, who together represent over fifty-five recipients in any given year, is evidence of the strategic importance attached to these two states and to the region where they reside. But Table 4.5 also illustrates that in the wake of the Cold War's end, aid commitment levels to African and Latin American states were not different from previous levels. The processes of retooling aid obviously take time. We cannot discern any movement of funds from Egypt and Israel to either Africa or Latin America after the demise of East-West competition in the Middle East.

Conditions in Africa and Latin America correspond to those perennially addressed in foreign aid mandates. The majority of countries in these two areas face economic conditions far below those of industrialized states. Many states in these areas are burdened by extreme levels of indebtedness that affect their balance of payments and impede

Table 4.5
U.S. ODA to Africa and Latin America
(Millions of U.S. Dollars)

	U.S. ODA Africa	% U.S. ODA Africa	Average ODA Africa	U.S. ODA L. America	% U.S. ODA L. America	Average ODA L. America	% U.S. ODA Afr/L.Amer
1982	905.06	14.83	24.46	857.34	14.05	50.43	28.88
1983	908.99	13.01	23.92	1053.76	15.08	61.99	28.09
1984	1397.78	17.16	36.77	1380.43	16.95	86.28	34.11
1985	1298.78	14.18	34.18	1454.43	15.89	90.90	30.06
1986	1124.90	12.86	29.60	1288.09	14.73	75.77	27.59
1987	937.24	12.64	24.66	1527.12	20.60	89.83	33.24
1988	1021.19	12.88	26.87	1319.17	16.64	82.44	29.52
1989	1385.20	17.60	36.45	1073.30	13.66	56.59	31.26
1990	1316.00	6.43	34.63	1748.10	8.55	87.41	14.98
1991	1820.20	11.25	47.90	2799.40	17.30	139.97	28.55
1992	1330.11	15.03	34.11	1111.95	12.57	55.60	27.60

Source: OECD

their attempts to modernize and expand their economies. In sub-Saharan Africa, poverty, disease, drought, unprecedented population growth, and political instability are endemic conditions that affect the welfare of hundreds of millions of people. The security rationales behind U.S. assistance during the Cold War often were criticized in their application to the development needs in Africa and Latin America (See Guess, 1987). The paradox facing U.S. policy makers originated in the conditions in the recipient states. In order to develop their economies these states needed political order and stability. But the root causes of disorder and instability were the economic conditions in these states. In addressing problems of political stability, U.S. assistance often retarded efforts to solve the economic problems connected with it.

Since Truman's Point Four initiative, the U.S. has been the major source of foreign assistance to Latin America. Through measures such as the Alliance for Progress the United States has sought to promote conditions in this region that would improve the economic and political climates necessary to attract investment. The record of U.S. foreign aid to Latin America, however, illustrates the priority given security considerations. Even though the Alliance for Progress was conceived as a program which would address socioeconomic conditions in this hemisphere, "where social change turned against the U.S. during this period, liberal principles were often jettisoned for Cold War reactions" (Guess, 1987: 39).

President Reagan's reemphasis on hemispheric security was overtly translated into development assistance funding. During the 1980s, U.S. ODA funds for Latin America were concentrated in Central America in order to forestall the crises in Nicaragua and El Salvador from spreading throughout the region.

Table 4.6 compares the bivariate and regression results for African states for the two periods. The correlation coefficients for the humanitarian-interest variables are not noticeably different between the 1982-1989 and 1990-1992 periods. Neither life expectancy nor daily per-capital caloric consumption have any statistical relationship with U.S. ODA levels. Although the negative direction of the coefficients for caloric consumption might suggest a linkage between the social welfare conditions in African states and ODA commitments, the marginal value of the coefficients and their lack of statistical significance precludes our making any empirical or substantive conclusion about such a connection.

Both economic-interest variables are positively related to ODA in both periods. The only statistically significant bivariate relationship is between trade and ODA for the 1982-1989 period. This indicates that at the bivariate level, trade between recipients and the United States was related to ODA commitment levels. This relationship is absent in the 1990-1992 period. Economic interests do not appear statistically related to ODA after 1989.

For the security-interest variables the two periods offer different results. The coefficients for absolute military spending decline in value from the first period to the second. For 1982-1989, military spending is statistically related to U.S. ODA with a bivariate value of .28 significant at the .01 level. The coefficient value for the later period is half the value of the 1982-1989 coefficient and is not statistically significant. The lack of statistically significant correlations for relative militarization in either period prohibits our making any inference about the shift from a positive to a negative direction for the values given.

From the regression results we can see that the two periods are different in terms of the impact of the interest variables on the dependent variable. Interpreting the differences between the two periods' slope coefficients is difficult, however. In the 1982-1989 period, beta coefficients for daily per-capita caloric consumption, GNP, and military expenditures are statistically significant. Therefore, controlling for other variables, each of these separate interest indicators in our multiple regression model is statistically related to ODA commitments in the 1982-1989 period. The negative relationships between recipient GNP and daily per-capita caloric consumption and U.S. ODA coincide with expectations about the distribution of U.S. assistance to countries in need. However, in the 1982-1989 period, the strongest relationship between any of the interest profile

variables and U.S. assistance is found between absolute military expenditures and ODA. While this finding reinforces the Cold War approach associated with U.S. foreign assistance, interpreting the relevance of this finding is difficult when the other two linkages are considered. Military expenditure is an absolute measure. Therefore, the findings of the regression analysis suggests that even though the United States considered the socioeconomic conditions of recipients in policy formulation, the most important consideration for African states was the security interests served by more militarized states. This relationship is the sole linkage which continues into the 1990-1992 period. The beta value for military expenditure remains high, positive and statistically significant at the .01 level in the later period. The absence of a statistical relationship in the later period between any humanitarian or economic-interest variable and ODA suggests that changes in ODA policy's formulation criteria were not in the direction hypothesized. Once again, however, the multiple regression model for the 1990-1992 period is less predictive than is the model for the earlier period. The R-square of .07 indicates that the foreign policy model does not capture much of the covariance associated with U.S. ODA and U.S. policy interests. Therefore, even though the comparison between the two periods in Table 4.6 indicates the continuation of security rationales in ODA commitments to African states, this empirical finding is weakly validated.

From Table 4.7, for U.S. ODA to Latin American states we find little evidence to suggest that the relationships between the possible interest variables and U.S. development assistance change across the two periods. The bivariate results reflect shifts for certain bivariate relationships. Life expectancy becomes statistically significant in the 1990-1992 period and the negative direction of the association between it and ODA implies a connection between this aspect of recipients' social welfare conditions and levels of aid. Increased strength in the association between daily per-capita caloric consumption and the dependent variable also implies a greater connection between this humanitarian consideration and levels of aid. However, for the earlier period the humanitarian and economic variables are negatively associated also with the dependent variable. And security interests as measured by military spending is also negatively associated with ODA in this period. Positive Cold War connections between the security interest measured by military personnel per 100 population and U.S. aid cannot be implied from the positive correlation for 1982-1989 because it lacks statistical significance at the .05 level. The positive and significant association between this variable and ODA in the 1990-1992 period suggests that post Cold War policy considerations are not different in the hypothesized direction.

Results for the multiple regression analysis of Latin American interest-profile variables and U.S. development

Table 4.7
Period Comparisons
U.S. ODA and Latin American States Profile Characteristics
Correlation and Regression Matrices

	Correlation Coefficients				Regression Coefficients		
	1982-92	1982-89	1990-92		1982-92	1982-89	1990-92
HUMANITARIAN PROFILE VARIABLES							
Life Expectancy	-.12	-.07	-.28*		.13	.14	.04
Caloric Consumption	-.34**	-.31**	-.43**		-.38**	-.32*	-.46
ECONOMIC PROFILE VARIABLES							
GNP	-.27*	-.30**	-.23		-.07	-.14	.04
Trade with USA	-.16*	-.22**	-.14		.42	.05	.10
SECURITY PROFILE VARIABLES							
Military Expenditure	-.26**	-.25**	-.28*		-.09	-.08	-.11
% Population in Military	.15*	.09	.27*		.09	.12	.06
				Adj. R ²	.13	.12	.11

* indicates significance at .05 level.

** indicates significance at .01 level.

Sources:

- ACDA (Security-interest profile variables)
- IMF (Trade variables)
- OECD (Aid commitments [dependent variables])
- WORLD BANK (All other variables)

assistance for the two periods do not emit any empirical evidence that ODA policy formulation for this region after 1989 has changed. The statistically significant relationship between recipient per-capita caloric consumption and ODA in the 1982-1989 period, the only significant coefficient among the interest variables, is not repeated in the 1990-1992 period. For Latin American states, the foreign-policy model does not identify the interest rationales behind U.S. assistance to this region in either period. The record of U.S. aid to Latin America in the 1980s clearly places important U.S. interests in the region within the broad strategic agenda of President Reagan's administration. The substantial increases in assistance to El Salvador, Honduras, and Costa Rica, for example, were prompted by the Reagan administration's overt concern with the Soviet-backed regime in Nicaragua (see Guess, 1987). However, in this analysis the regression model does not substantiate this relationship. More importantly, the model does not indicate any relationship, changed or otherwise, during the post-Cold War years. As we found in our analysis of U.S. aid to Africa, reducing our sample appears to dampen the statistical relationships. The removal of a large portion of aid commitment, particularly the singularly disproportionate funding to Egypt and Israel, directly affects the explanatory capabilities of the model.

Overview: The Changing Context of U.S. ODA Policy

Collectively, the statistical results do not support our hypotheses about the rising influence of either humanitarian or economic interests in foreign aid policy. The statistical evidence weakly supports our hypothesis regarding the lower priority accorded recipient militarization as a security interest which influences the levels and directions of U.S. ODA commitments and it provides us with an indication that changes have occurred in the determination of ODA commitments. The bivariate and regression results for the yearly and period comparisons display marked changes in the traditional policy-interests relationships. From our yearly regression results we can see a noticeable deviation from the consistent pattern of security interests domination. Moreover, the absence of strong positive relationships between the measures of recipient militarization and U.S. ODA for 1990 and 1991 is not attributable to any rise in the strength of the other interest categories. The period comparisons also show the decline of ODA-security interest relationships. Changes in the relationships between humanitarian-interest variables and ODA after 1989 are seemingly disconnected. Each indicator covaries in different directions. In conjunction with the model's lower explanatory power in the post-breakpoint period, this finding suggests that U.S. assistance policy lacked the coherence it exhibited in the pre-breakpoint period.

Our statistical analysis reinforces McKinlay's findings in his analysis of U.S. assistance policy in the 1960s. McKinlay's foreign-policy model of U.S. assistance is supported by the statistical results covering the 1982-1989 period. Our analysis also support Hook's (1995) findings that the foreign-policy model of U.S. foreign aid continues to explain the relationships between U.S. ODA and recipient interests. The yearly and period findings of this study support our assertion that a strong pattern of continuity in U.S. foreign aid policy affirms the linkages between the objectives of foreign aid, the broad goals of U.S. foreign policy, and the structural stability of the postwar international system. After 1989, however, the foreign policy model of U.S. development assistance does not provide a clear representation of the interest areas underwriting the formulation of U.S. assistance policy. Conceptually, this finding is important because it raises the question of what drives ODA calculations. Our three interest categories are broad representations of motivational components that are traditionally identified with U.S. assistance policy. The absence of clearly defined relationships between any of these interest areas and ODA commitments is an important signal that changes have taken place.

The substantive significance of this finding is related to the changed geopolitical context facing U.S. policy makers in the 1990s. The disruption of the empirical patterns among

the three issue areas and ODA after 1989 suggests that in the first years of this decade U.S. policy makers were searching for a new national security focus. It suggests, as Sorensen (1990: 5) states, that "it takes time for a superpower, like a supertanker, to change direction" Furthermore, it suggests that, operating within a system in flux, policy makers addressed uncertainties without a coherent map to guide policy formulation. The profound transformation of the international system caused a breakdown in the traditional bases of policy producing ambiguities in U.S. foreign policy, ambiguities that were reflected in the formulation of U.S. development assistance policy.

In the next chapter we will explore the implications of this observation and consider them in light of the recent policy directions that the Clinton administration is proposing. We will discuss the proposed changes in U.S. aid policy currently under consideration and explore their relationship to new definitions of foreign policy goals that are being formulated.

CHAPTER 5
CHANGING COURSE: PROSPECTS FOR A.I.D.
AND U.S. ASSISTANCE POLICY

Like any instrument of foreign (or domestic) policy, aid often does not achieve its intended purposes, or does so only partially. Sometimes the unintended and unanticipated effects of aid may be adverse. But a clear picture of intended goals and means is a prerequisite to responsible assessment of results. (Nelson, 1968: 1-2)

This description of U.S. development assistance rings as true today as it did nearly thirty years ago. It still captures the complex and sometimes bewildering character of this policy area. It suggests that the distance between purposes and outcomes is often determined by factors over which the initiators of policy have little control or may not take into consideration. Its most veracious point relates to the necessity of understanding what objectives foreign assistance is intended to achieve and how it is intended to achieve them. The objectives of foreign assistance are as debatable today as they were when this passage was written. They are, perhaps, even more so.

In previous chapters, we discussed the relationship of U.S. assistance to the Cold War foreign policy goals of the U.S. government. We reviewed the varying ways in which U.S. foreign-aid policy was manipulated in response to changing conditions in the external environment. We concluded that each

alteration in foreign assistance was more an alteration of means than of goals. We argued that this continuity of goals was directly related to the continuing geopolitical competition between the two dominant poles in the international system. Currently, however, the international system is undergoing dramatic transformation. Despite the uncertainties of the present period, this epochal change will lead to another structural arrangement which will condition the foreign-policy aspirations of all states.¹ The fluidity of political, social, and economic conditions today is, like the emerging structure of which these conditions are parts, a source of apprehension. But many, like Johansen (1994: 372), believe that "we face not merely the most important systemic opportunity of decade, or even of our lifetime, but of several centuries."

In this chapter we will try to connect the empirical findings of the previous chapter with the current conditions facing U.S. policy makers. Our task is constrained by the weak statistical evidence related to our hypotheses about policy

¹ Ruggie (1989: 21) argues that it is important to consider the methodological perspective from which we consider transformation. The study of structures imposes certain research parameters upon the analyst. "By definition, the study of transformation is the study of structure. This is so because structure imparts organization, disposing and constraining effects, on domains of social discourse and action. A change of structure makes possible, and is indicated by, a fundamental rupture in previous patterns and the emergence of new patterns. . . ." Ruggie suggests that it is necessary to ask whether the patterns we observe and analyze are artifacts "of the intellectual apparatus with which [they are] studied."

change. However, the lack of statistical relationships in our foreign-policy model for the latest period in our analysis is an indication that change may be underway in the formulation of development assistance policy. More importantly, because foreign-assistance policy is related to the broader designs of U.S. foreign policy, indications that changes are occurring in this policy area suggest that the U.S. government may be in the process of reassessing basic objectives of its foreign policies.

From an analytic perspective, the processes we have discussed relating policy changes to systemic changes are incomplete. Assessing the extent to which the United States government has learned from the structural transformation of the international system cannot be accomplished as long as the U.S. government is still defining its basic role in an emerging global political order and is still reassessing its policy instruments in light of the uncertainties it faces. An important analytical linkage which we can infer from the empirical results is that the international system within which the U.S. operates is in a state of flux thereby confounding policy makers' attempts to develop coherent goals and strategies. Since the causal sequence linking policy change to government learning originates in the external environment, the absence of a clear global arrangement means that the costs and benefits of many options cannot be identified clearly.

In this chapter we will look at the conditions which the current U.S. administration faces as it develops objectives for U.S. foreign policy. The emerging bases of foreign policy will be examined with an eye to their connections to the changing conditions in the international system. This is an imperative component of our evaluation because, as we stated previously, policy change does not necessarily mean that learning has taken place. Only when changes are compatible with the external factors and are causally linked to those factors can we infer that policy makers have accomplished a better understanding of their external environment. Moreover, the assessment of effectiveness as a sufficient indication that learning has occurred is only valid if the policy changes can be identified directly with policy makers' recognition of external changes and with their redefinition of state goals as a result of that recognition.

After looking at the current developments in U.S. foreign policy we will look at the proposed changes in U.S. development assistance policy. Our attention to the current legislative and bureaucratic recommendations will focus on the ways in which these prescriptions relate to the overall foreign policy recommendations. While many of the prescriptive measures currently being discussed are likely to become altered by the political processes of policy making, we will concentrate on the general objectives of development assistance. This approach stems from our contention that while

policy means are malleable, policy goals, by virtue of their more abstract nature, are harder to alter. Aspects of policy making which affect the shift from one direction to another will be discussed. Keeping in mind the discretion which policy makers have to recognize or ignore the external restrictions and opportunities which the international system presents, we will examine the premises for assistance-policy changes and see how they are related to the broader recommendations for redefining U.S. foreign policy goals.

Learning and Foreign Policy in a Changing International Environment

In Chapter 1 we discussed the influences of systemic structure on the behaviors of states. One major point in our discussion was that in analyzing the policies of governments we need to consider how such policies are related to the general tendencies of system maintenance. That is, we have to see if states' external policies serve to reproduce the patterns of interstate politics or if they run counter to established patterns. The logic of self-help political behavior is a defining principle of interstate politics in the international system. In interstate relationships, the patterns of behavior established over time condition choices and expectations. The general direction of choices and goals is bounded by the patterned regularities that are products of the attributes of the states in the system. They are the results of a confluence between the asymmetrical distribution

of capabilities among states and the survival imperative associated with each state entity. Governments reinforce the patterns when reproducing them if they are rewarded through positive results such as achieving policy goals or, at the minimum, surviving. But the regularity associated with a particular systemic configuration cannot endure if the behaviors that reproduce it do not result in positive outcomes. The self-help logic of state-to-state relations places the burden of change on the individual state and its decision makers' abilities to reassess their objectives and strategies.

Currently, the United States faces an international environment which is characterized by a proliferation of issues that are not tied ideologically or politically to any single conceptual basis for U.S. policy responses. Fashioning some semblance of order in this kaleidoscopic environment will require not only a determined effort to identify the interdependent elements among issue areas, but also a realistic appraisal of the priorities among them. Like a farmer trying to build a barn in a windstorm, U.S. officials are subject to forces which can act against them. However, just as the farmer needs the barn for protection against the winds, U.S. officials have to construct coherent approaches to an ever shifting external environment. Without solid strategic

foundations for action, the winds of change and uncertainty may push policies in unproductive directions.²

By broad definition, challenges facing the U.S. are not new. The international system which defines the limits of what can be achieved is changed, however, thereby redefining the parameters of choices and outcomes. According to Gaddis (1994: 27), the conceptual division of the world by policy makers in the Cold War provided a "geopolitical map" which simplified perceptions about where U.S. policy was directed. It allowed policy makers to construct strategies premised on "terms everyone could understand." The struggle between the forces of democracy and the forces of totalitarianism depicted by President Truman's announcement of the Truman Doctrine ended with a victory for democracy and a defeat for totalitarianism. According to Gaddis, however, the U.S. currently is engaging an unfamiliar environment which also requires "geopolitical cartography" to define the "international landscape" in terms easily understood. The old geopolitical map is no longer useful. Issues defined through the lenses of the Cold War policy were generally subsumed within broad categories of competition between "two great international ideologies, or

² Gray (1993: 188) makes the point that the global security environment is constantly evolving. The major difference between the last forty-five years and the present is that now there is no principal focus for U.S. commitments. His critique of current trends in U.S. defense planning includes the observation that the absence of a rival "super-state" frees the U.S. to "intervene on behalf of its notion of order, but it also removes a great deal of incentive to do so."

between two antagonistic military blocs, or between two geographical regions imprecisely labeled 'East' and 'West'." Gaddis maintains that in the contemporary international environment the contest is between forces of integration and fragmentation. These are not issues but processes not directly tied to ideologies or antagonists. These forces may be, as Gaddis contends, "just as stark, and just as pervasive, as was the rivalry between democracy and totalitarianism" during the Cold War. But because these forces are trends not associated simply with particular regional political movements or interstate military antagonisms, constructing appropriate strategies to enhance prosperity and peace and promoting public support for government strategies are problematic objectives for U.S. officials.

The ending of the Cold War did not provide the United States with a "clean slate" on which to draw up a new international order. The international system was not purged of problems just because the Soviet Union collapsed. "Indeed, in part as a result of the removal of Cold War structures, national, ethnic, communal, religious, and cultural antagonisms are very much the flavor of the decade" (Gray, 1993: 188). Threats to U.S. security today are different from threats during the Cold War in that they are distributed across issues that are unrelated to any single defining response rationale. Gray's contrast between the "threat-driven" nature of Cold War policy and the

"uncertainty-pulled" character of current policy expresses the dilemma associated with change and the preparation for action against potential dangers. In order to know what represents danger, U.S. officials have to know what issues are vital to U.S. interests at home and abroad. The dispersion of concerns across the changing landscape of international politics cannot be controlled, but addressing those concerns can be undertaken from perspectives which are related to general principles about what is worthy of attention and action.

President Clinton's election in 1992 was secured by the Democratic Party's determination to keep domestic issues at the center of electoral debate. More than any other issue area, the state of the U.S. economy influenced the outcome. Candidate Clinton's contention that the U.S. must address its economic problems in order to meet the challenges of the post-Cold War world,³ and his linkage of U.S. economic strength with the United States' ability to control outcomes, suggested that economic power as much as military strength would determine outcomes of global political issues.⁴ It

³ A commission organized by the Carnegie Endowment for International Peace concluded in 1992 that "America's first foreign policy priority is to strengthen our domestic economic performance." (See Changing Our Ways, Report of the Carnegie Endowment National Commission of America and the New World.)

⁴ Tonelson (1994: 44) argues that Clinton's election on a platform of U.S. economic renovation did not preclude his awareness of foreign policy challenges. However, according to Tonelson, "To judge from his major campaign addresses on foreign policy, he is less cognizant of the constraints he

offers, moreover, the prospect of a reoriented perspective which places nonmilitary considerations more closely to the core of national security objectives. While Clinton's position that "peace and prosperity" are not two distinct spheres of interest coincides with emerging views about national security in an increasingly interdependent world,⁵ his approach during the first years of his administration has yet to demonstrate that foreign-policy making has eliminated the security-over economics priority.⁶

will face in meeting them, which are both real and intellectual. The chief real constraint is financial; the intellectual constraints are assumptions left over from the Cold War - encrusted ways of thinking about the world and about U.S. power"

⁵ Wittkopf's (1994:13) assertion that domestic politics as much as the characteristics of emerging geopolitical and geoeconomic systems will determine the "possibilities and priorities of the post-Cold War American foreign policy," offers a theoretical twist to the causal sequence associated with government learning. As a concept, interdependence represents a relational condition which encompasses the characteristics of both issues and actors. It implies a restriction of autonomy. Wittkopf's assertion implies that the United States is more vulnerable to certain external issue domains that affect the domestic welfare of the American public. Thus, domestic political factors will figure prominently in the formulation of U.S. foreign policy. Accordingly, foreign policy becomes "an extension of domestic policy in an interdependent world." See Keohane and Nye (1977) for an extended examination of the conceptual dimensions of interdependence and vulnerability in international politics.

⁶ Destler (1994: 132) contends that U.S. foreign-policy making institutions are divided into two groupings, each self-contained and separate from the other. The "security complex" is concerned with external goals and relationships and deals with diplomatic and military issues. The "economic complex" looks at the domestic impact of issues such as trade and finance. He criticizes the Clinton administration's establishment of the cabinet-level National Economic Council because it is separate organizationally from the National

The results of our statistical analysis in the preceding chapter raise the question about how much time is required to address changes and reformulate foreign policy approaches. When President Truman established the course for U.S. foreign policy in 1947, circumstances were quite different than they are today. The international system was distinctively bipolar. U.S. economic power was at its height. His expression of U.S. purpose was couched in moral terms consistent with rationales used to justify earlier U.S. interventions. Still, Truman's strong commitment to U.S. internationalism was not articulated clearly until the postwar conditions abroad reached crisis dimensions. The current administration's objective of maintaining a strong U.S. presence is not premised on a defense against a single ideology or single adversary. It is, however, being linked to the belief that U.S. interests lie in supporting open political systems, open economic systems and respect for human rights. It follows the liberal assumption the "if only one could maximize the flow of ideas, commodities, capital and people across international boundaries, then the causes of war would drop away" (Gaddis, 1994: 29). It reveals the ongoing tradition in U.S. foreign policy of justifying behavior on the basis of principles and ideals rather than on geopolitical conceptions of national interests (see Stedman, 1994). It comes, though, at a time

Security Council which raises the prospect that, like his predecessors, Clinton's decisions concerning security and economics would be formulated separately.

when the United States is less capable of ensuring support from its political allies, when its domestic economic condition increasingly limits its influence and may dampen its resolve, and when international crises geographically and categorically are diffuse. Moreover, it must be implemented in a system that is less orderly and predictable than the international system was during the Cold War.

Even though change is an endemic feature of global politics, the current transitions in the international system appear to be its defining features. As we stated earlier, however, certain continuities associated with the basic character of the state system continue in the absence of bipolarity. Many issues are resurrected by the collapse of the bipolar system. Therefore, facing U.S. policy makers in this changing environment are issues whose relevance is increased by the circumstances of systemic change and issues that have always been products of the dynamics of the state system. The apparent lag in redefining U.S. foreign policy is related to the global continuities as much as it is caused by the diverse amalgam of issues that are increasingly important to U.S. security as a result of the transition from bipolarity to another systemic structure. Temporal constraints are also related to the inertial nature of governmental institutions. Changing course in a real sense requires an altered framework for doing business in the institutions that are charged with carrying out the policies of the state. Institutional changes

may be indicators that the premises of external behavior are changing. From this perspective, examining the legislative and bureaucratic recommendations related to U.S. development assistance gives us a venue from which to assess prospective shifts in policy. Reforming foreign policy is a process involving diplomatic, institutional, and legislative constituencies. U.S. foreign-assistance policy touches each of these and in turn is affected by them as well.

The A.I.D. Mandate in a New Global Context

Changing course for U.S. foreign-assistance policy is not an issue that arose with the end of the Cold War. Throughout its history, the United States Agency for International Development has been criticized for its inability to accomplish the developmental mandates set forth in the 1961 Foreign Assistance Act. A.I.D. was created, in part, to rectify the low priority given to development in the foreign assistance policies of the 1950s. Turning toward the most salient needs of developing states, the 1961 legislation sought to establish an organization whose primary function would be the coordination and distribution of assistance which would address poverty, hunger, lack of infrastructure, and economic integration. Developing states were the new majority in the international system. Most of them were concerned more with their economic conditions than they were with the broader superpower rivalry.

Alterations of A.I.D.'s mandates were designed to improve its track record on development to continue its broader political mission of keeping LDCs from looking toward the Soviet Union for economic and political support. The Alliance for Progress in Latin America and A.I.D.'s legislatively mandated "New Direction" approach, with its subsequent "basic human needs" strategy, proved ineffective in achieving their desired development objectives. Designs became entangled in the mixture of regional political dynamics and the global security concerns which had prompted them. President Reagan's desire to privatize assistance along with his circumscribed conception of aid's purposes caused his administration to continue allocating assistance to states on the basis of their geopolitical importance rather on the basis of their economic and social needs.

Currently, the United States' foreign assistance machinery is undergoing another major review. This reassessment of the functions and structure of the U.S. Agency for International Development follows President Clinton's directive to overhaul the U.S. foreign aid program. Billing its foreign aid initiative as "nothing less than a cornerstone for a post-Cold War foreign policy" (Doherty, 1994a: 807), the Clinton administration is pressing for a new statutory mandate for A.I.D. that reflects the foreign-policy priorities it believes will serve the U.S. in the changed global environment. In his May 18, 1993, testimony before the House

Foreign Affairs Committee, Secretary of State Warren Christopher identified the administration's three overarching foreign policy goals:

First, elevating national and global economic growth as a primary foreign policy goal; Second, updating our forces and security arrangements to meet new threats; and Third, organizing our foreign policy to promote democracy, human rights, and free markets abroad.

President Clinton's instructions for revamping foreign aid call for redefining the mission of A.I.D. and restructuring it so that it will promote these broad objectives. As general guidelines, these three priorities do not represent a dramatic shift in the direction of foreign policy. Certainly these goals have been explicitly and implicitly included in the foreign-policy perspectives of previous administrations. Calling for the elevation of domestic and global economic growth as primary foreign-policy objectives signals an increased awareness of the connection between domestic welfare and international economic conditions. But that awareness is not novel nor does it necessarily signify that economics has attained equal status with traditional security concerns. Likewise, the call to organize foreign policy to promote democracy, human rights and free markets is not a deviation from previous U.S. foreign policy prescriptions. Rather, the relevance of the first and third priorities to our question about international change and government learning in foreign policy lies in how they stand in relation to the second, more traditional, element of

foreign policy. The genuineness of President Clinton's desire to build a new approach to foreign affairs will be found in how he directs the machinery of foreign policy to accomplish those aims. The administration has to infuse its general approach in the institutional and operational apparatuses of the bureaus and departments designed to carry it out.

Clinton's attempt to refocus and reorganize foreign assistance policy faces many of the bureaucratic and political impediments that stymied President Bush's earlier effort to reform foreign aid. In 1991, President Bush proposed the International Cooperation Act of 1991 to Congress. It was designed to give the president greater flexibility in determining U.S. foreign aid policies by removing congressional restrictions that had accumulated over thirty years under the Foreign Assistance Act (see Long, 1991). Even though the House Foreign Affairs Committee incorporated parts of President Bush's plan in a foreign aid authorization bill, the bill failed in the House. Clinton's proposed reform also follows President Bush's initiative to reduce the numerous priorities and objectives included in the FAA legislation by appropriating aid not for specific programs or countries, but on the basis of six broadly defined goals.

Impediments to Restructuring Assistance Policy

Learning involves implementation as well as understanding. Recognizing change is a necessary component of learning, but it must be followed by policy changes that address transitions from a redefined perspective. This component of the learning process involves political and organizational issues that can impede the redirection of policy. It brings the tensions of habit, constituent support, pragmatic political considerations, and belief systems into the reformulation process. Moreover, it includes the influence of leadership in "selling" the need for change and articulating the bases for new policy goals. Whether the U.S. foreign assistance programs need reforming is not a contestable issue. There has been near universal agreement on this point. How that reform will be accomplished and what it will look like are strongly contestable issues.

Congressional constraints

To successfully accomplish the restructuring of A.I.D. and U.S. assistance policies, President Clinton must overcome political resistance in Congress. His ideas about the nature of important foreign-policy issues have to be accepted by a Congress which has developed a micromanagement role over foreign assistance during the last thirty years. He has the advantage of being an incumbent Democrat executive with Democrat majorities in both houses of Congress. His defeat of George Bush ended twelve years of Republican control over

foreign policy and for many symbolized a turning point which coincided with the larger changes in the international system. If President Clinton can define policy by integrating issues that are important to different groups, he can expand the constituency supporting his reforms. This will improve his control over policy and it will enable him to rationalize policy with a more uniform conception of what is important.⁷ By calling for a redirection of assistance allocations on the basis of general objectives, President Clinton offers the prospect of enlarging constituent support by appealing to values that are important to diverse congressional and bureaucratic groups. Wresting these groups away from entrenched positions is a political struggle that reflects the division of powers incorporated in the U.S. governmental system and the expanded Congressional involvement in foreign assistance policy that has evolved since 1961.

The effects of congressional micromanagement are at the core of the reform debate. While congressional sentiments support reforming A.I.D. and the foreign-assistance programs, particular country, issue, and ethnic interests are important considerations for many members of Congress. Over the course

⁷ Anderson (1991: 109) describes the process of "inclusion" as an attempt by a leader to "expand the constituency by developing a new posture that combines (a) previous appeals intended to retain original constituents with (b) selective incorporations of variants of rivals' proposals intended to lure some of their constituents." According to Anderson, this strategy will provide a more complex position which the leader should design "with an eye to the ensuing bargaining over policy."

of assistance policy under the Foreign Assistance Act of 1961, political objectives and domestic special interests have resulted in congressional earmarks that set the levels of aid and direct how it is to be used in certain sectors. Most of these "entitlements" (Sewell, 1991) have been directed to specific countries in the legislation. The State Department's Interagency Task Force to Reform A.I.D. and the International Affairs Budget (Wharton, 1993a: 28) reported that for fiscal year 1993 (FY93) nearly "57 percent of Development Assistance (DA) and 84 percent of the Economic Support Fund (ESF). . . are earmarked." It concluded that the result of these earmarks

is an environment in which A.I.D. managers find it practically impossible to design country programs based on their evaluation of local conditions and needs. In effect, program managers are told how much will be available for specified activities or countries and instructed to design programs accordingly.

To use an oversimplified corporate analogy, it is as if the board of directors of an automobile company instructed the manufacturing and sales staff to produce and sell nothing but family sedans in the Southwest United States. This in spite of the needs and preferences of the farmers and ranchers in the area for 4-wheel drives and pickup trucks. And, oh yes, the sedans must all be blue.

Zimmerman (1993: 59) stated that earmarks "leave the administration with little leeway to respond to changing situations and new opportunities to use assistance resources either for political or development purposes." For example, in order to provide assistance to Eastern European states after 1989, Congress had to pass special legislation. The Support for East European Democracy Act was necessary because the

current context of the Foreign Assistance Act did not provide the latitude for extending assistance to those states. The special legislation waived the provisions of the FAA in order to fund assistance to those states (Bissell, 1991). In 1993, President Clinton's determination to include assistance to Russia and the former Soviet republics was accomplished initially only through "inventive budgetary maneuvering" that provided funding in the form of a supplemental appropriation for fiscal 1993. In large part, because of the restrictions embedded in the existing foreign assistance statute, and because of the shrinking foreign operations budget, Clinton was unable to increase aid through the regular foreign operations appropriations bill. The final bill (HR 2295) funded assistance to Russia and the former Soviet republics by drawing on unspent defense and foreign assistance funds. Furthermore, the final version included some congressional directives on how the aid to these countries was to be spent.

The political contest between the executive and Congress is centered around the president's desire to gain greater flexibility for allocating assistance and the desire of Congress to control funding. Foreign assistance funding is not a large portion of the federal budget. However, it arouses distinct political sentiments in Congress that consistently become part of the debate over funding and program directions. Congressional support for the disproportionate funding allocated to Israel has consistently been "the 'engine' that

has pulled the foreign operations appropriations bill through Congress in recent years. This earmark ensures the backing of politically influential Jewish-American organizations for the legislation" (Doherty, 1994a: 808). The recent Task Force report cited congressional oversight of country and project spending as a major reason why A.I.D. programs are fractured and the effectiveness of A.I.D. is diluted.⁸ The Government Accounting Office concluded that congressional appropriation for functional accounts (e.g. education, agriculture, environment) reduced A.I.D.'s latitude for planning programs at the country level (GAO, 1992). Ironically, Congress has often avoided voting on stand-alone foreign assistance appropriations bills. Such bills would be open to partisan amendment and many in Congress are hesitant to establish voting records on foreign aid that could be liabilities at election time (Gimlin, 1988). While members of Congress have particular interests which they want addressed in foreign-assistance policy, the negative image of foreign aid makes it difficult for them to expend political capital by overtly supporting an unpopular policy area.

Therefore, reforming A.I.D. and the U.S. foreign aid program will involve some political bargaining over the

⁸ Bissell (1991: 30) argues: "The statutory structure that was created in 1961 would actually work rather well in its own right if enacted today, but it has been amended with cross-cutting issues and additional mandates in the subsequent 30 years that much of the potential flexibility in U.S. response to a world in flux has been eliminated."

congressional role in assistance policy beyond its control over the federal purse. Greater flexibility for the executive, and thus a loosening of Congress' influence over allocations, can only be accomplished by mobilizing support for the administration's recommendation of defining and allocating assistance according to broad objectives. The system of checks and balances and the increased congressional involvement in foreign-aid policy are factors that stand in the way of the president's plan. The plan for determining assistance according to broad objectives is relevant as an indication that the administration sees the role of U.S. assistance differently than in the past. The shift from previous practices is a reflection of the desire to gain greater control over the policy area and of a recognition that changing conditions require a different approach.

Prospects for radically changing the ways the U.S. defines its development assistance priorities and allocates it foreign assistance funds hang on the ability of the relevant constituencies to look at this policy area from a common perspective. Politics will never be absent from the foreign-aid policy process. Congress usually tries to influence agency structures and incentives to assure some relationship between its preferences and bureaucratic outputs. Federal bureaucracies, on the other hand, try to avoid alienating key members of relevant committees (see Wood and Waterman, 1991). Even though the Clinton administration

stressed the importance of assisting Russian political and economic reforms, and even though it pushed through the additional funding for Russia and the former Soviet republics in the September 1993 foreign operations appropriations bill (a considerable achievement given the fiscal and political constraints), the measure contained many of the kinds of congressional specifications that the administration has argued reduces its flexibility in addressing problems abroad.⁹ The resistance of Congress to give up control in this foreign policy area was voiced by Representative Obey, (D-Wisconsin,) chairman of the House Appropriations Subcommittee on Foreign Operations. He commented that Congress "will not give up control to an unelected bureaucracy federal authority to spend dollars as they want, so long as they call it 'pursuit of democracy' or 'expanding economic development.' There will be no blank checks" (Doherty, 1994b: 74).

Bureaucratic factors

Internal obstacles facing the administration's efforts to reform A.I.D. and the foreign assistance program are problems related to the kind of bureaucracy which A.I.D. has become and to the organizational missions which it has been assigned. Secretary of State Christopher instructed Deputy Secretary

⁹ Congress approved the \$2.5 billion aid request for the former Soviet Union in the midst of an intense political crisis in Russia. "In spite of the turmoil, the dominant sentiment in Congress seemed to be that the United States [had] little choice but to extend strong support for the political and economic changes pursued by the Russian president" (Doherty, 1993a: 74).

Wharton to review both issue areas soon after his confirmation in 1993. Simultaneously, a Presidential Review Directive (PRD 20) was issued which called for a reassessment of all international programs. The task force which Wharton chaired followed Secretary Christopher's directions that "form follows function" and reported that "the Task Force concentrated its efforts first on identifying a new set of goals and objectives for A.I.D. and secondarily on structural and administrative changes necessary to achieve them" (Wharton, 1993a: 33).

The new A.I.D. Administrator, Brian Atwood began the review of his agency with both objectives in mind. He faced strong sentiments that A.I.D. was no longer capable of fulfilling its role. His revaluation of A.I.D.'s mission and structure has been undertaken while proposals for folding that agency into the State Department have been offered. His efforts, in conjunction with the Secretary of State's departmental review and Deputy Secretary Wharton's Task Force, have been to identify the areas where A.I.D. remains competent and demonstrate that a restructured agency can successfully implement the programs for those areas.

The Task Force considered whether a restructured and refocused A.I.D. was capable of carrying out the developmental aspects of a new foreign policy approach. The Task Force looked at several options, including abolishing A.I.D., merging it into the State Department, spreading its functions among other agencies and departments, and limiting its mandate

to disaster relief (Wharton, 1993a, 1993b). The report of the Task Force concluded that A.I.D. would best serve the developmental objectives of the United States. It argued that A.I.D. provides a link for U.S. foreign policy goals in its bilateral relations. The United States cannot rely on multilateral agencies to meet its foreign policy objectives through their programs. It contended that A.I.D. works with both foreign governments and non-governmental organizations (NGOs) while multilateral organizations generally deal with foreign governments. According to the report, A.I.D. has developed considerable local expertise in its field missions that enable it to "develop programs targeted to local needs." A.I.D. has an established leadership in "democracy building, human resource development, family planning and environmental issues, areas where multilateral organizations have been less active" (Wharton, 1993a: 32-33).

Atwood and the Task Force agreed that reforming A.I.D. requires new charter legislation. They believe that A.I.D. cannot carry out its development mission as it is currently set up. Legislation is necessary to articulate A.I.D.'s post-Cold War functions, clearly state its priorities, and to provide it with program and management flexibility. As it is set up, according to Atwood and the Task Force report, A.I.D. is hamstrung by multiplying statutory goals that prohibit it from reflecting the national interests of the U.S. in the post-Cold War era. It is overburdened by regulatory procedures

that increase the effects of conflicting objectives on the agency's ability to carry out its basic development mission. In his Senate testimony, Wharton (1993b: 528) cited the 1989 Task Force on Foreign Assistance which identified "33 independent statutory goals and objectives and 75 priority areas that USAID must pursue in designing its assistance programs."

Atwood's goal is to restructure A.I.D. in such a way that it can continue to serve as the government's chief development agency. This, however, has to be accomplished when the federal budget is severely constrained. Cuts in programs and personnel are parts of the recommendations put forth by the A.I.D. Administrator. While these cuts are in line with the recommendations of the Interagency Task Force, eliminating programs and removing personnel is a painful process in an agency with over thirty years of operating history. However, in the political environment facing Atwood and A.I.D., downsizing appears to be a necessary part of the restructuring process. Congressional control over funding and the growing imperative for fiscal cuts, along with the less than positive image which the agency has with Congress, forces A.I.D. to slim down in order to keep the political backing it needs to continue as the administration's development policy organ.

The agency's personnel have an interest in keeping the agency alive. A.I.D. is autonomous by design and with the recent suggestions to fold A.I.D. and its functions into other

departments, Atwood is trying to persuade Congress and others that the government is best served by keeping an autonomous development agency.¹⁰ The administration's interest in maintaining a commitment to foreign assistance reinforces Atwood's argument. But the competition between the executive and Congress over the redefinition of A.I.D.'s purposes and over the structural reformation of the agency is a political contest over policy direction and control. The processes within the agency, and between Congress and the president illustrate the political nature of organizational change that students of bureaucratic politics argue is normal. As Kozak (1988: 10) argues,

Organizational change is neither a technical nor a neutral exercise--it is the object of political pressure, conflict, and turmoil. Reorganizations have political purposes: They are not undertaken simply to conform to abstract principles; they are proposed and adopted not for therapeutic reasons but for political reasons and with political motives.

Many of the problems in A.I.D. are related to its decentralized administrative system, the lack of a centralized management information system and the agency's evaluation systems which emphasize project design over results. In trying

¹⁰ Haas discusses the organizational drive for autonomy. According to Haas (1991: 76), "Standard organization theory assumes that the entity under study seeks maximum control over its environment. Organizations are envisaged as systems seeking to get the better over external elements and actors who might reduce the autonomy of the entity. Boundary maintenance is therefore crucial. . . . Autonomy, in turn, is valued because it guarantees the survival of the organization in a setting of competition; and survival calls for adaptation."

to overcome these problems, A.I.D.'s reformulation will press against the habits of three decades. Retooling the machinery of the agency from the top down affects the careers of many of its personnel, and because most A.I.D. projects have a life cycle of five to ten years, it affects the projects currently operating overseas. In 1993, A.I.D. had a portfolio of over two-thousand active projects. Assistant Comptroller General Conahan (GAO, 1993: 6) testified that A.I.D.'s "overseas structure has remained essentially unchanged for more than 30 years." He cited A.I.D.'s argument that its field presence is needed because it enables policy dialogue designed to encourage economic policy reforms in recipient states. In-country presence provided the U.S. with political advantages and it enabled staff to better determine the design and planning needs for development projects. But the advantages of a continued field presence are offset by the decentralized management systems that, according to Conahan, increase programming complexity and raise the administrative and programming costs. However, because A.I.D.'s staff includes 1,700 foreign service officers, of whom about two-thirds are assigned overseas, resistance to Atwood's proposals to reduce the Agency's overseas presence and to centralize management has been forthcoming. In a statement by the American Foreign Service Association, the agency's employees cautioned the administrator that A.I.D.'s greatest

strength remains its field capacity and that the overseas missions should not be reduced in the reorganization.¹¹

Linking the economic and social conditions of developing states to the national security interests of the U.S., the Clinton administration contends that with a redefined structure and clearer mandate, A.I.D. can effectively address development issues and serve the broader interests of the United States. A.I.D. Administrator Atwood and the Task Force report emphasize that only A.I.D. among all of the U.S. institutional assistance programs has development as its primary objective. However, a 1992 GAO audit found that only 32 percent of the funds allocated to A.I.D. in 1990 were directed to development assistance (See Kirschten, 1993). Furthermore, A.I.D. has evolved from an agency with 10,000 employees two decades ago into one with approximately 3,200 U.S. and 900 foreign employees. According to Doherty (1993b: 76) the shrinking of the agency's workforce

has forced the agency to become heavily reliant on a network of non-profit humanitarian groups, universities and for-profit consultants and contractors to deliver the bulk of U.S. foreign assistance. The popular image of AID workers directly helping the people of underdeveloped countries no longer applies. Today, AID is essentially a general contractor, soliciting bids from private entities.

President Clinton selected Atwood to head A.I.D. because of Atwood's connections to the State Department and because of

¹¹ Representing the association, A.I.D. economist Lee Ann Ross stated that "people in Indonesia didn't get less poor because the Cold War ended" (quoted in Kirschten, 1993: 2370).

his professed commitment to see the reform of assistance policy through to the end. As Wood and Waterman (1991: 804-805) observed, "Modern presidents select political leadership not only for their expertise and to reward supporters but also for their ability to administer the president's plan." Clinton's success in implementing his reform initiative ultimately rests on his ability to construct a consensus around his ideas about the mission of A.I.D. and the new foreign policy guidelines which he has expressed. Consensual backing for A.I.D.'s new structure and goals within the agency means defining its objectives in a manner that the agency's personnel and constituencies find relevant.

A.I.D.'s continuation as the government's leading aid agency is dependent upon the abilities of its personnel to assimilate the redefined perspectives for A.I.D.'s missions. The political imperative behind reformulating aid policy is connected to the larger goal of constructing a new foreign policy approach that is acceptable to the important constituencies inside and outside of decision-making circles. The organizational imperative behind reformulating aid policy is related to the necessity of linking A.I.D.'s purposes and structures to a new foreign policy approach to deny its critics any grounds for arguing that the agency has outlived its usefulness.

This is a substantial task because the agency has developed routines, targets, and an operating history that are

resistant to changes. Reiter (1994), for example, in reviewing the literature on organizational learning suggests that organizations are most likely to change their approaches and perspectives after failures. Failures provide information about the need to improve operations and stimulate action toward that objective. Because A.I.D.'s mission was enmeshed in the larger containment strategies of U.S. foreign policy, its shortcomings in meeting development objectives often were not serious enough to warrant the dismantling of the agency. In fact, measures to refocus aid policy were subverted repeatedly to the larger strategic considerations of U.S. containment policy. In the absence of that safeguard, however, the development assistance record of A.I.D. will be scrutinized more according to the development criteria. Reiter's (1994: 495) contention that a "significant crisis threatening organizational goals is often necessary to dislodge beliefs and encourage new thinking" applies to A.I.D. after the Cold War. The crisis facing the agency is related to the dilution of its policy base. The basic development mandate is now its evaluative standard. Defining that mandate in terms that are contemporary, politically relevant and conceptually indivisible from new foreign policy objectives requires a refined organizational structuring that enables the agency's personnel to understand what changes are required and why they are necessary.

Defining the Mission of A.I.D.

The Agency for International Development is in the business of development assistance. Redefining A.I.D.'s mission entails reforming the way it goes about its business. But more importantly, it involves the reformulation of its operating principles so that it can effectively meet the foreign-policy objectives that underwrite its existence. The proposal to define A.I.D. priorities on the basis of general objectives instead of country or program considerations is conceived as a way to remove many of the existing impediments to A.I.D. fulfilling its development mandate. The Task Force recommendations and Administrator Atwood's proposed agenda for A.I.D. call for restructuring the agency to address development following four broad strategies: promoting sustainable economic growth and development, promoting democracy, addressing global issues, and responding to emergency humanitarian needs. The Clinton administration argues that rewriting the statutory guidelines for development assistance along these lines would enable the agency to carry out its development goals more effectively in the post-Cold War environment. Arguing that U.S. interests are connected to each of these areas, the administration contends that in an environment of declining resources and expanding foreign-policy considerations, restructuring A.I.D. to design and evaluate assistance projects according to these priorities

gives it more latitude to meet current and future development demands.

Building democracy, promoting sustainable development, addressing global issues and responding to humanitarian needs are not new A.I.D. issue areas. Since its inception the agency has incorporated these objectives directly and indirectly into its policy rationales and project definitions.¹² It is the context in which these considerations have been defined that suggests a shift within the Agency as to the manner in which it will disburse assistance funds and evaluate results. As the bases for its mission, A.I.D. has proposed these guidelines as a conceptually integrated approach to the complex problems of development. It has not redefined development so much as it has reconceptualized the multiple processes as they relate to the emerging economic and political conditions in the international system. It subsumes

¹² This is evident in A.I.D.'s Economic Assistance Strategy for Central American 1991-2000 (U.S.A.I.D., 1991). It noted that for the first time in the history of Central America, all the countries were "led by democratically elected governments committed to market-based economic policies." Positive economic growth had been restored. But the principles A.I.D. proposed to guide the strategy related more to the need for strengthening the democratic gains made during the 1980s. Of the ten principles outlined in the strategy statement, four emphasized issues such as broadening participation in democratic processes, strengthening locally-elected governments, and coordinating programs to strengthen the judicial, electoral, and legislative systems. The remaining principles addressed economic concerns such as private investment initiatives, natural resource sustainability, promoting employment, and pragmatic issues such as collaborating with other bilateral donors and multilateral institutions as well as supporting U.S. government initiatives to counter narcotics trafficking.

economic criteria, such as cost-benefit ratios, within a larger political realm of justification that is itself a reflection of the changing political interests of the United States.¹³

Sustainable economic growth and development

Repeatedly, A.I.D. has maintained that among its broad strategies, promoting sustainable economic growth and development is the linchpin in achieving both domestic and foreign policy goals. According to A.I.D.'s recent policy statement:

Sustainable development is characterized by economic and social growth that does not exhaust the resources of the host country; that respects and safeguards the economic, cultural, and natural environment; that creates many incomes and chains of enterprises; that is nurtured by an enabling policy environment; and that builds indigenous institutions that involve and empower the citizenry. Development is "sustainable" when it permanently enhances the capacity of a society to improve its quality of life. Sustainable development enlarges the range of freedom and opportunity, not only day to day but generation to generation. (U.S.A.I.D, 1994: 4)

Encompassed in this policy statement are the elements of A.I.D.'s overall development conception. It recognizes the long-term processes involved in changing the economic and social conditions of lesser developed societies. It specifies

¹³ Packenham's (1966b) description of A.I.D.'s approach to "political development," for example, revealed the economic based perceptions of A.I.D. personnel. Explanations of political development as the "absence of political impediments to economic development" characterized the Agency's view that development meant "economic development" only. Aid was seen as properly separate from politics.

the importance of democratic governance through institution-building that allows direct participation in decision making. And it draws attention to the necessity of protecting the environment and natural resource base. It is the conceptual core of each of the broadly defined assistance strategies, relating their relevance to the basic objectives of assisting societies to become self-reliant. The other strategies, building democracy, addressing global issues and humanitarian assistance are reinforcing components of the sustainable development goal. Each of these strategies independently touches foreign-policy interests, but the Agency for International Development has presented all of them as a packaged approach to the administration's directive to ensure that assistance goes where reforms and cooperation are evident. Moreover, implicit in its definition, and explicitly pronounced in its operational approach to sustainable development is A.I.D.'s emphasis on the "noneconomic" components of development. It maintains that many of the problems associated with economic progress, political instability, environmental degradation, and humanitarian crises can be alleviated or prevented by investing in education and health care. Education enhances the acquisition of skills and thus contributes to the empowerment of individuals. It increases social mobility and it is important for democratic governance. Citing the World Bank's findings, A.I.D. noted that expanding basic health care services can

"dramatically enhance societal productivity, especially among the poor. Such services alleviate many curable but endemic and debilitating illnesses that prevent people from earning a living or participating in society" (U.S.A.I.D., 1994: 44).¹⁴

A.I.D.'s operational approach to implementing this strategy centers around the participation of people affected by the programs. It recognizes that donors cannot provide development to host countries, they can only facilitate or accelerate the processes that bring lasting change and growth. To facilitate processes, A.I.D.'s operational guidelines recognize the importance of coordinating its efforts with other donors, and since most of the development work is carried out by NGOs and private voluntary organizations (PVOs), it encourages the inclusion of a variety of participants in the assessment of development problems and in program planning. Part of the operational directive mandates developing programs that "take into account the totality of development problems confronting the society." In calling for the elimination of "stovepipe" projects that operate without regard for other development efforts or larger objectives, assistance is to be based on an "integrated country strategy" with specified objectives and performance targets (U.S.A.I.D., 1994: 7).

¹⁴ See World Development Report 1991: The Challenge of Development. New York: Oxford University Press.

Absent from its sustainable development strategy is the direct promotion of U.S. commercial interests. Both the administration and the agency cite the importance of expanding U.S. participation and leadership in the international economy. A.I.D. contends that "the proper role with respect to American businesses is solely 'to create demand for American exports' by helping to improve living standards and economic vitality in underdeveloped nations." Explicitly promoting U.S. trade is the responsibility of other agencies, such as the Department of Commerce. Atwood has argued that A.I.D. "will continue to provide information to Commerce or to American businesses about what is going on in the economies of the countries in which we are working, but it is not our job to promote or subsidize American companies to come in" to countries where assistance efforts are underway (Quoted in Kirschten, 1993: 2372). Considering Congressional opinion that foreign aid must reassure the American public that expenditures result in economic payoffs, and in the atmosphere of budget constraints, this position is rather bold.¹⁵

A.I.D. officials defend this position on the grounds that U.S. development efforts can assist, but do not always

¹⁵ Mitch McConnell (R-Kentucky), the senior Republican on the Senate foreign aid appropriations panel stated: "The only way for foreign aid to go back up and be politically salable is if it furthers our commercial interests and opens new markets." Citing the assistance to Russia and the former Soviet republics, he maintained that helping these states "has prospects for creating additional American jobs. That's what we can sell to the taxpayers back home; not foreign giveaways" (quoted in Kirschten: 2370).

coincide with U.S. commercial interests. Other organizations and government agencies are better equipped to promote U.S. businesses. A.I.D. and its advocates maintain that it must play an indirect role in promoting U.S. exports by supporting liberalization of economies and working to secure broad-based, market-led private sector development. The rationale behind this indirect approach is that "poor people make poor customers. When we and our donor partners help developing countries grow . . . this helps them earn the money to buy U.S. products and services" (Wharton, 1993a: 10). By maintaining that its competence lies in these strategies and not in overt trade support, A.I.D. is attempting to distance itself from domestic political involvement in the decision making calculations of assistance funding. Perhaps more than any other issue area in foreign policy, trade issues attract a high degree of interest group involvement (see Rockman, 1994: 61-62). More than that, however, A.I.D.'s position is consistent with its working premise that development assistance is best addressed from an integrated approach that relies on supportive principles for the criteria it employs in evaluating needs and outcomes.

The political debate over the proper relationship between U.S. aid and trade interests also involves the continuing issue about supporting U.S. exports by "tying" aid project procurements to U.S. suppliers. Critics of the U.S. program maintain that other donor countries tie their aid much more

than does the U.S. which results in a net loss to U.S. exports. Additionally, they argue that because the bulk of bilateral aid consists of cash transfers, this fast-disbursing funding (program aid as distinct from project funding) usually is not "tied" to procurement of U.S. goods and services (see Preeg, 1993).

The question of foreign-aid policy's connection to U.S. trade interests is political. A.I.D.'s strategy for supporting economic openness is particularly relevant, however, to areas where U.S. trade is small. Potential markets instead of existing ones are targeted because U.S. interests in developing economies are expanding. Integrating weak foreign economies into the global economy is one of the primary goals of the A.I.D.'s sustainable development strategy. For example, U.S. ODA exceeded U.S. exports in nearly one-third of the countries in this study receiving U.S. development assistance in 1991. Of the 25 countries where aid exceeded U.S. exports, 15 were in Sub-Saharan Africa, a region with the lowest growth rate over the past forty years. According to the World Bank (1991), per-capita incomes in Sub-Saharan Africa have fallen in real terms since 1973. U.S. assistance to those 15 states accounted for over 62 percent of the region's U.S. ODA commitments. These figures suggest that U.S. trading interests do not drive U.S. assistance toward particular recipients. The 25 countries which receive more aid than exports garner more

than half (53 percent) of U.S. aid, excluding aid to Egypt and Israel.

Although political considerations certainly play a dominant role in allocating assistance to specific recipients besides Egypt and Israel (e.g. Iraq), considerations of economic need regardless of U.S. trade presence play a critical role as well. A.I.D. consistently acknowledges that without external support, many of the poorest countries will not attract private capital investment. As part of their sustainable development strategy, A.I.D. officials point to the importance of the economic infrastructure (roads, communications, education, etc.). Assistance for this purpose is needed because "[d]evelopment of this infrastructure requires investment in 'social overhead capital,' the return on which is not easily captured by a private investor" (Jordan et al., 1993: 293).

Promoting democracy

Supporting the transition to and consolidation of democracy has been proposed as a strategic objective "as an end to itself and because it is a critical element in promoting sustainable development" (U.S.A.I.D., 1994: 22). Its strategy includes supporting participatory institutions at all levels of government and society. As evidence that this objective is central to the overall development strategies, A.I.D. has included in its strategy statement the directive that decisions to suspend programs or withdraw from a

country--where, for example, human rights abuses are increasing--have to be made regardless of how much money is invested there. It gives particular attention, moreover, to coordinating its resources with other intergovernmental organizations in responding to requests for assistance in the democratization process.

In many countries the commitment to democracy is weak or absent. A.I.D.'s strategy statement on sustainable development recognizes that there is a dilemma posed by giving direct assistance to democracy programs in states where regime commitment is shallow or lacking. However, the agency considers its local presence an attribute in working with both the countries' regimes and democratic forces outside government. The new administrator has committed the agency by directing its staff to develop project approaches for each of the sectors of democratic development work and integrating them into strategic country and regional plans. In following this directive, agency officials believe that by addressing intermediary organizations, supporting judicial reforms, assisting political, electoral and governmental institutions, and working to establish a free press, the agency can incorporate democratic support programs with the economic, agricultural, health and environmental programs in a mutually reinforcing framework (cited in Wharton, 1993a: 55).

The challenges of this strategy are formidable. It operates on the assumption that democratic governance is

conducive to open political dialogue and peaceful resolution of conflict. It represents an extension of the basic organizing principles underlying the administration's position on foreign policy in the current era. But A.I.D.'s inclusion of democracy-building within the context of a new approach to development is grounded on the supposition that long-term economic progress requires participatory institutions to ensure accountability. Results are to be evaluated on more than economic terms. Democracy is perceived as an indivisible objective. It cannot guarantee economic development, but economic development is neither a necessary nor sufficient condition for democracy. The test of the administration's determination to proceed from this basis will be in its record of adhering to this priority in the face of political circumstances, domestic and foreign, that force it to choose between short-term demands and long-range objectives. As Clarke (1994: 26) argues, "The issue for the Clinton Administration is not whether morality belongs in the foreign-policy realm but the practical choices that derive from its presence there."¹⁶

¹⁶ Diamond (1994: 105) argues that promoting democracy as a defining feature of U.S. foreign policy is politically sensible. "A democratic focus promises a bipartisan foreign policy of which all Americans can be proud, because it synthesizes liberal concerns for human rights, conservative concerns for global order, and the desires of internationalists from both parties to see continued U.S. leadership and engagement in the world."

Addressing global issues

A.I.D. has expanded its proposed mandate to include issues that transcend political boundaries with the rationalization that the effects of environmental degradation, population growth, ethnic and religious conflict, narcotics trafficking and contagious disease are felt globally. Issues such as these have consequences on the quality of life for people beyond the areas where these problems originate. In its description of the manner to address these issues, it encompasses the environmentalist credo to "think globally, act locally." These are concerns that indicate an expansion of what constitutes national security. Problems related to population pressures go beyond the issues of food production or land scarcity. They also result in migration and refugee problems that spill over into other countries and regions. The pressure then is no longer local. Inappropriate technologies cannot confine their detrimental effects to the areas where they are employed. Ultimately everyone shares the same environment. Ethnic divisions do not necessarily reside within specified boundaries. Ethnic or religious enmities are not contained by political divisions. As the tragedies in Bosnia and Rwanda demonstrate, these conflicts permeate regions.

A.I.D.'s strategy is based on the realization that these issues are the results of human activities, of decisions and habits and beliefs. They can affect adversely any development strategy that does not take their consequences into account.

The impact of these problems is likewise measured in human and economic terms. It recognizes that solutions begin at the local level. A.I.D.'s strategy outline reinforces the administration's contention that problems such as these are everyone's concern. The agency has taken careful steps to include considerations of local needs in its directive. It pinpoints the source of many of these threats in government policies that lack a long-term perspective. Therefore, part of its strategy integrates its focus on environmental problems, health issues, and population control with its objectives to enhance the empowerment of people through education and programs to support participatory institutions at every level.

In including global issues in its strategy outline, A.I.D. has illustrated a broader conception about the relationship between foreign and domestic policy areas. It supports the notion that governments need to increasingly look to broader arrangements to deal with issues that are contentious enough in domestic political settings (see, for example, Mathews, 1994). For example, in its strategy outline A.I.D. specifically cites the 1992 United Nations Conference on Environment and Development (UNCED) guidelines. To some extent, A.I.D.'s commitment to the Agenda 21 guidelines of the UNCED (Earth Summit), guidelines for ecologically sustainable development, represents a reversal of previous U.S. policy. The Bush administration refused to sign the biodiversity treaty of the Rio Conference. Moreover, its operational

guidelines call attention to the necessity for including the technical and organizational resources of other institutions in evaluating and planning approaches to these issues.

Providing humanitarian assistance

Perhaps the strongest argument supporting A.I.D.'s continued viability is its humanitarian and disaster-relief experience. Humanitarian assistance is an issue close to the national conscience. It represents a tradition in U.S. diplomacy that is politically agreeable to most partisan and ideological sectors across the domestic political spectrum (see Spanier and Hook, 1995). Furthermore, the current period of transition in the international system is characterized by increasing situations of civil strife where quick response can mean the difference between protracted miseries and instability or movement toward recovery. Over the course of its history, A.I.D. has developed a capacity to coordinate and deliver disaster-relief supplies and services within hours of the occurrence of natural disasters. A.I.D.'s administrator has been designated as the president's Special Coordinator for Disaster Assistance. In that role he organizes and oversees the disaster response efforts of other U.S. agencies and departments. He also has the responsibility for coordinating U.S. relief efforts with the efforts of other governments and organizations.

A.I.D. officials contend that the agency's humanitarian mission is an integral component in the sustainable

development strategy, that its mission goes beyond traditional disaster relief. Its humanitarian strategy revolves around integration, prevention, preparation, and coordination processes. Instead of being an organization dedicated to merely providing food, shelter, and medical assistance, A.I.D. presents itself as capable of addressing the causes of many crises, especially those that result from ill-conceived policies or political conflicts. The World Bank (1991: 2), for instance, maintains that internal wars and international conflicts as much as natural disasters destroy the "fragile base of development in many parts of the world...Far and away, the most important cause of famine in developing countries in recent years has been not inadequate agricultural output or poverty, but military conflict."

The agency cites as one of its areas of concentration the preservation of basic institutions during crises. Its integrated approach to sustainable development incorporates measures to strengthen local capacities. According to the A.I.D. strategy statement, "The disintegration of civil society, in and of itself, invites disaster: Rising disorder devastates the economy and skews the distribution of food, water, and essential goods and services. It destroys local institutions that people normally rely upon to organize a response. It makes small calamities more severe, and thus foment catastrophe" (U.S.A.I.D., 1994: 47-48).

A.I.D.'s humanitarian strategy statement stresses its capacity to respond rapidly in states in crisis. It asserts that the Agency's field missions possess and understanding of the local environment that improves the planning and delivery of relief. Timely intervention can help to keep crises manageable. When these situations are neglected they can quickly escalate out of control, increasing the costs and suffering. As an example, the Interagency Task Force referred to the crisis in Somalia where political and civil structures collapsed and led to economic chaos. The result was widespread starvation. Subsequently, a massive multilateral effort was required to provide humanitarian relief and restore civil stability. According to the Task Force report (Wharton, 1993a: 22), "Failure to address the problem at its earliest stages has meant that thus far, the United States alone has spent about \$200 million in humanitarian aid and over \$1 billion in peacekeeping. This is a perfect example of 'pay me now, or pay me later.'"

The humanitarian strategy asserts that because natural and man-made disasters are detrimental to economic development, reducing people's ability to be self-sufficient, and because they can impede the development and viability of democratic processes and institutions, humanitarian assistance is not an act of charity but a positive extension of self-interested policy. Moreover, in asserting that A.I.D. will provide aid to people regardless of the politics of their

government, it embodies the principles about governments' behavior that U.S. taxpayers support.

Matching Means and Ends: Changing Assistance Policy

Learning, as we have repeatedly stated, means understanding issues from a different, more realistic perspective. But that understanding must be translated into policy. Knowing that things have changed a certain way is different from knowing how to act accordingly towards them. Learning in this more complete sense entails acquiring behavior that succeeds in accomplishing what one intends to accomplish. In the context of foreign-assistance policy, the recognition that changed conditions in the international system make issues other than military security increasingly important to the welfare of U.S. citizens, must be accompanied by policies designed to address those new issues. Not only must decision makers look at things differently, they must act accordingly.

The broad strategic objectives which A.I.D. has proposed represent a broadening of the conceptual basis of assistance, a broadening in the way in which assistance problems are defined. The explicit objectives of U.S. development assistance are closer to the defined standards of the United Nations development agencies and the criteria of the OECD Development Assistance Committee. Considerations of global market dynamics, democratic governance, and ecological

interdependence reflect the shifting agenda of international security. Where political priorities imposed a conceptual schism between most aid organizations and the U.S. programs, rapprochement is enabled by the current context of an international system without an overriding security threat.

U.S. assistance policy, however, is constrained by factors other than the uncertainties in the international system. The issue of A.I.D.'s viability is important because it relates to the perennial struggle of governments to match policy means with policy ends. A.I.D. has a formidable task in proving that its refocusing on general objectives instead of particular countries is a more productive strategy to follow. It may be more coherent in terms of its connection with the basic priorities of the U.S. foreign policy in the post-Cold War, but if in its application this refocusing fails to produce expected outcomes the fortunes of A.I.D. will not be positive. The Clinton administration's contention that a new legislative mandate for A.I.D. would free the foreign aid program from many of the restrictions that hinder its development mission is ultimately conditioned on A.I.D.'s ability to follow through on those refocused guidelines. Coherence in foreign-assistance policy is conditioned on the commitment of the administration to follow the principles it has outlined for U.S. post-Cold War foreign policy.

Steps taken recently by Administrator Atwood, and the agency's recently developed strategy guidelines, point to

concrete changes in the way A.I.D. perceives its tasks and plans to go about addressing them. The thrust of the Agency's strategy outline is, that based upon the four broad objectives, evaluation of programs at every level should focus on results, not design or funding levels. In a 1989 report (U.S.A.I.D., 1989: 113), the Agency stated: "While foreign aid is supposed to both influence policy and move money within a fixed time limit, in reality, the latter consideration generally drives the program." From a planning perspective, the Agency guidelines reinforce its principle of pursuing aid strategies on the basis of objectives rather than methods. As a practical matter, A.I.D. has given notice that personnel evaluations will be changed to reflect performance. Performance is to be related to project results as they are defined according to the strategy guidelines. In this way individual incentives are tied to results and not the size of an individual's project management portfolio.

To increase its effectiveness in reaching these objectives, Atwood reorganized A.I.D. to centralize its management systems. He also reorganized the Policy Directorate under the Bureau for Policy and Program Coordination (PPC) to implement a performance-based budgeting system to foster accountability for results at the top and sensitivity to established objectives at the bottom. Moreover, A.I.D. officials reiterated their commitment to establish assistance relationships with countries that meet the eligibility

criteria: government commitment to market economics and to the creation of opportunities for participation at every level. In countries where results are marginal, or where political and economic reforms are being repressed, A.I.D. has signaled that it will terminate the Agency's presence.

In November 1993, A.I.D. announced the closing of 21 field missions to be phased out over the next three years.¹⁷ The Agency contended that it was the first time since A.I.D. programs were introduced that it had reduced the number of countries with whom the U.S. is working (U.S.A.I.D., 1993). Furthermore, these cuts were presented as an indication that the Clinton Administration believes "that the effectiveness of our development investments takes precedence over the Cold War era desire for maximum influence."¹⁸ According to its closing guidance statement, the cuts were "based on sustainable development criteria, and while we are faced with severe budget cuts to reduce the federal deficit, we would have been recommending these cuts regardless." It argued that with its current operational budget, however, the agency was spread too thin to achieve its restructured objectives. The criteria used

¹⁷ Mission cuts by region (21): Africa (9) Burkina Faso, Botswana, Cameroon, Cape Verde, Chad, Cote d'Ivoire, Lesotho, Togo, Zaire; Asia (4) Afghanistan, Pakistan, South Pacific Regional, Thailand; Latin America (6) Argentina, Uruguay, Belize, Chile, Costa Rica, Caribbean Regional; Near East (2) Oman, Tunisia.

¹⁸ U.S. Agency for International Development. Mission Closing Guidelines (Facsimile Message to Steven Hook, University of Florida, from Valerie Herzfeld, Bureau for Legislative and Public Affairs, July 25, 1994).

to eliminate A.I.D. presence in particular countries were grouped into three categories: 1) countries that have "graduated" beyond the concessional grant stage in the development process; 2) countries with small programs and large administrative costs; 3) countries that denied the agency access to its people, who invested a disproportionate share of their resources in military expenses and who have not shown a commitment of their own resources to development, in short, "bad partners" in sustainable development. The reduction of its overseas missions brings the A.I.D. number of fully staffed missions to about 50 countries. This is consistent with the recommendations of Vice President Albert Gore Jr.'s National Performance Review task force to reduce A.I.D. overseas mission commitments (see Doherty, 1993b).

Whether overt political pressures are responsible for the initiative to streamline A.I.D.'s overseas structures, or whether the reductions are part of a concerted effort to concentrate A.I.D.'s efforts where they will be most effective, the fact that A.I.D. made the changes is significant. It is likely that the reductions resulted from a combination of pressures for fiscal and mission viability. Downsizing is a painful process for any bureaucratic organization. However, the recent changes at A.I.D. suggest that some basic reassessment of the agency's structure and objectives is being implemented. Like the assessment that the United States is still trying to "iron out" its proper

position in the changing international system, the Agency for International Development is undergoing some conceptual and structural refurbishing. Despite the Clinton administration's directive to redesign assistance policy and to reformulate the manner in which it is defined, the processes are laggardly. As Haas (1991) noted, bureaucracies are not the same as individuals. Even though they are comprised of individuals, they do not learn as do individuals. Institutional routines interfere.

Perhaps Haas' (1991: 84) contention that conditions most likely to lead to learning are "the desirability of finding new cause-effect chains, the possibility of finding them, and the urgency for finding them" applies to A.I.D. during the current period of transition. Desirability involves incentives that motivate bureaucracies to "engage in some soul-searching." Bureaucrats' careers and bureaucracies' prospects for surviving are often dependent on satisfying certain constituencies. A.I.D. has presented its case from the perspective that the United States bears the responsibility to continue its leadership in development assistance. The agency is best suited to carry out U.S. policies especially in the changing environment of the post-Cold War. The possibility of redefining ends so that foreign-assistance policy reflects emerging concerns in the international environment is conditioned on the acceptance of these concerns as priorities for policy. The contention that with the end of the Cold War,

international economic and social issues are increasingly tied to the basic interests of the United States, is only applicable if consensual agreement develops to support that argument. Recent funding cuts to assistance programs are pragmatic measures to concentrate development efforts where they can be most effective. They are also designed to keep efforts in line with fiscal pressures.

The continuation of large assistance allocations to Egypt and Israel makes it clear that political concerns remain very important factors in determining who gets funds and how much they get. The recent inclusion of large allocations to Russia is an important signal that the political and economic rationales for assistance can be adjusted to serve new policy considerations. The economic transformation of Russia and the former Soviet republics is a serious concern for U.S. decision makers. The motivation to support these states in their transitions toward market economies and democratic governments rests on the potential consequences of failure in both processes. Stability in these states is especially important considering the historical patterns of conflict that are reemerging with the dissolution of the Soviet Union. Moreover, the dismantling of the nuclear arsenals of these states can only be accomplished when their political and economic situations are healthy enough to encourage it. The bulk funding that is going to Egypt, Israel, and Russia indicates that strategic interests are still primarily defined in

geopolitical terms. The nature of states and the historical record of their interaction provides the pragmatic bases for decision makers' continued reliance on geopolitical standards for defining interests. Changes in the international environment often are perceivable but not always understandable. The uncertainty that changes engender can restrict innovative policy making. Furthermore, as Jarosz and Nye (1993) point out, judging the international environment, assessing problems and opportunities and then formulating a coherent policy response are parts of a process that is conditioned by the political considerations and institutional arrangements connected with the state's policy-making structures. The ideal standards of frictionless learning are rarely borne out in the practices of states.

Haas' third point about the urgency of the problems that lead to learning is significant for two reasons. Haas suggests that the urgency of a problem can affect the rate of learning. As we argued before, one factor which prompted President Truman to articulate the containment strategy in the Truman Doctrine was the economic and political crises in Europe and the Near East. The multiplicity of security issues currently facing the United States are pervasive in scope, but no single problem or combination of problems has yet to define concretely the fundamental purpose of U.S. internationalism. While the basic value of U.S. internationalism remains, it is not anchored to a well defined conception of how changing

demands in the international system are related (see Breslauer, 1991). Therefore, without an issue with system-defining salience, the sense of urgency aroused by a variety of crisis situations may not be sufficient to determine the way in which the U.S. defines its "friends."

The disposition of A.I.D. during this period of transition is relevant to the disposition of U.S. goals because we are interested in whether foreign policy behavior reflects government learning. As we stated earlier, if foreign policy is purposive behavior, then state actions must reflect decisions that address objectives or problems even when conditions are in a state of flux or uncertainty. The directives to change assistance policy on the basis of broad policy objectives instead of country or political interests is an indication that, given the profound changes in the international system, U.S. officials have begun the processes of learning. A greater realism that coincides with Breslauer and Tetlock's (1991) conception of "learning that" is reflected in the Clinton administration's initiatives to reformulate assistance policy in order to make it more compatible with the different conditions facing the U.S. The political and bureaucratic factors involved in the reformation of A.I.D. suggest that the acquisition of greater skills, or "learning how," is not yet resolved. As Etheredge (1981) points out, in order to accomplish a better understanding of goals decision makers must disentangle values from processes.

Politics and habit can interfere in the translation of ideas into policy. Whereas policy change depends on executive decision, it is only the first step. Coherent and effective policy is a matter of changing attitudes and behaviors toward common objectives.

As Rosenau (1990) argues, habits can change. Changes in beliefs lead to changes in goals, priorities, policies, and, ultimately, behavior (see Mendelson, 1993). In examining the question of learning, ideas are important factors to be considered in the policy process. The reforming of assistance policy and the restructuring of A.I.D. involves the redirection of perceptions about the nature of the agency's purposes and methods. It cannot be disconnected from the larger dynamic of foreign policy reformulation in the context of the changing international system. "[P]olicymakers work within a framework of ideas and standards that specifies not only the goals of policy and the kinds of instruments that can be used to attain them, but also the nature of the problems they are meant to be addressing" (Hall, 1993: 279). Evaluating the changes in assistance policy begins with the examination of the principles behind those changes. In the causal sequence of the learning process the external changes that prompt policy changes must be linked by changes in the orientation of decision makers toward the problems they face. Redirecting assistance policy as a component in the redirection of U.S. foreign policy entails the changing of means, goals, and

overall orientations (Hermann, 1990). Therefore, the reforming of assistance policy mirrors the larger dynamic of defining U.S. interests in the context of an international system in transition.

In conclusion, the structural overhaul of A.I.D. represents a reformulation of policy consistent with the emerging priorities of U.S. foreign policy. The patterns of U.S. development assistance commitments during the 1980s changed with the end of the Cold War. In Chapter 4 our statistical analysis demonstrated that the enduring relationships between security interests and U.S. ODA commitments did not continue beyond 1989. The absence of a discernible shift to new interest priorities beyond 1989 suggested that U.S. assistance policy was in a period of transition. Our review of the recent reformulation of U.S. assistance policy, including the restructuring of A.I.D., suggests that the processes of learning take time. As Haas, Hermann, and others have argued, policy makers respond to the nature and scope of changes in the international system. Crises demand rapid response and encourage innovation. The recent changes in the international system, while broad in scope, have been addressed slowly. The restructuring of A.I.D. and the reformulation of U.S. assistance policy are facets of a more general revaluation of U.S. foreign policy.

CHAPTER 6
CONCLUSION: CONTINUITY, CHANGE, AND LEARNING
IN FOREIGN POLICY

In this study we engaged theoretical and practical issues about learning in foreign policy. We pursued several important and interrelated goals. By design, this study has been directed toward a more thorough understanding of foreign policy in the context of a changing international environment. This study has explored the relationship between states' behavior and the structure of the international system. It has examined patterns of U.S. behavior in a particular policy area in order to better understand the connections between systemic conditions and the parameters of policy choices available to states. More broadly, this study's objective has been a better conceptualization of the interdependence between theories about foreign policy and theories about global politics.

The theoretical focus of this study rests on the linkage between systemic structure and foreign-policy decision making. We elaborate upon the notion that the structure of the international system serves as a constraining influence on what policy makers can achieve. Structure not only affects outcomes, it also affects choices. The international environment is constantly changing, however, so the question of whether states' policy makers can develop effective

responses to changing conditions is an important issue to investigate. The dramatic transformation of the international system in the past decade reinforces the need to understand the connections between systemic change and foreign-policy choices.

The pragmatic relevance of this study is grounded on the assumption that U.S. development-assistance policy, although created as an instrument of containment, covers foreign-policy interests whose importance is temporally and spatially distinct from the bipolar competition of the Cold War. The ability of U.S. policy makers to reconceptualize the strategic interests of the United States should be seen in the changing application of development assistance. Foreign assistance policy is uniquely suited for the analytical purpose of evaluating changes in foreign policy perspectives in the face of external changes. Its issue domain links imperatives of the recent period of Cold War competition to the emerging strategic realities of an international system in transition.

At the basic level, we have attempted to describe the lasting connection between the application of U.S. development assistance and U.S. foreign policy objectives since World War II. A creation of the Cold War, foreign assistance has endured for over four decades. Since the initiation of the modern foreign-aid program, the United States and the international system have changed dramatically. With the end of the Cold War the rationale for pursuing economic assistance relations with

developing states has changed. The changing conditions in the international system warrant the redefinition of the purposes of aid. The role of foreign assistance in U.S. foreign policy is subject to the same revaluation processes that U.S. foreign policy undergoes.

We used the foreign-policy model of foreign assistance to identify the possible foreign policy interests behind the allocation patterns of U.S. development assistance. We applied the model across a time frame covering the last years of the Cold War and the first years of the subsequent era. The statistical analysis of the empirical patterns between U.S. ODA and the interest variables was designed to enable us to compare patterns in the two time periods.

We attempted to place this study within a broader theoretical framework by arguing that the scope and direction of U.S. assistance policy is related to factors in both the external and internal environments of foreign-policy decision making. Our contention that policy change does not necessarily mean that policy makers have acquired a better understanding of the external environment is based on the realization that internal circumstances must be aligned with policy revaluations. It is the recognition of changes and a redefinition of goals that conceptually link policy change with learning. Thus, policy change is not a sufficient condition of learning. It is a necessary condition whose

sufficiency is linked inextricably to the more compatible assessment of policy goals.

In Chapter 4 we examined our empirical results. These findings did not support our hypothetical argument that in the absence of traditional system-defined objectives, the direction of foreign assistance commitment patterns would change. For the period prior to 1989, the "foreign-policy model" of development assistance validated the earlier research conclusions that U.S. assistance is directly related to the security interests of the United States. However, 1989 represented a "breakpoint" in global politics. A confluence of external events rapidly transformed the international system, leaving the system without two dominant poles for the first time in over forty years. For the three years following this "breakpoint," the model failed to demonstrate any apparent directional change. The absence of a clear pattern for ODA commitments after 1989 inferred that the processes of redirecting assistance may be underway.

In Chapter 5 we extended our examination of assistance policy and sought to determine whether subsequent processes within the foreign-assistance policy area are evidence of basic policy change. Our discussion covered the increasing relevance of non-military issues in the security calculations of the United States. It included considerations about the relationship of domestic political concerns to these international issues. In examining the ongoing redefinition of

assistance policy as it relates to the reformulation of A.I.D., we discussed the various political and bureaucratic factors that can affect the processes of policy change. Having portrayed the international system as being in a state of flux, we concluded that without an issue or composition of issues of sufficient salience to consolidate foreign-policy perspectives, redefining assistance policy remains unfinished. This is a reflection of the continuing effort to define the basic objectives of U.S. foreign policy during this period of transition.

Continuity and Change in Foreign Policy Perspectives

If the current period in international politics is a "unipolar moment" for the United States, it will not endure. The logic of interstate politics and the record of interstate relations suggest that other states will seek to improve their standing and influence in global politics. Even though the United States still remains predominant in all categories of "great-power capability," and with the demise of the Soviet Union it alone has this role in international politics, the unipolar structural configuration requires hegemonic resources and political resolve that the United States does not have the capacity to develop.¹ Unipolarity at this juncture in

¹ Layne (1993: 5-6), however, cites the Pentagon's Defense Planning Guide (DPG) for Fiscal Years 1994-99 as evidence that strong official sentiments existed that U.S. unipolarity should be maintained. According to the passages cited by Layne, the document asserted: "We must account

international political evolution is a reflection of the relative conditions of states, a relativity based on the absence of an opposing pole more than on the preponderance of the remaining one.

American predominance is also conditioned by the domestic trends that limit U.S. abilities to extend influence. The fiscal imperatives brought about by deficit spending during the Cold War will restrict the scope of U.S. internationalism until its domestic economic conditions improve. Furthermore, in the absence of a "clear and present danger" to consolidate perspectives about U.S. global involvement, behavior intended to maintain U.S. presence will be subject to fundamental political scrutiny.

More basically, though, the continuation of U.S. "suzerainty" is finite because of the logic of international politics. Even though the United States has expressed its desire to lead by benevolence instead of coercion, its leadership implies less autonomy for other states. The international political system is still primarily anarchic by nature. The logic of self-help still drives most of what states do in the international system. Despite the emergence

sufficiently for the interests of the large industrial nations to discourage them from challenging our leadership or seeking to overturn the established political order . . . we must maintain the mechanisms for deterring potential competitors from even aspiring to a larger regional or global role." Layne (p. 8) concludes: "That it will be difficult for the United States to maintain the Cold War status quo because structural change has destroyed the bipolar foundation of the post-1945 international system."

of global issues whose interdependent character transcends the unilateral response mode of states, important issues have not escaped this operational tradition. The evolution of politics among states is continuing, but the prospects for a radical and rapid transformation are not evident in the current transition period. A stable systemic structure would enhance regularity in the patterns of behavior among states. That is not to say, however, that the patterns of behavior would satisfy every state.

Changes in the international system related to its basic structure coincide with basic continuities about the principles of state action in that system. Change is a feature of global politics that cannot be arrested. While it can be managed, managing change requires capabilities that in the long run may reduce a state's resource base enough so that it can no longer control the direction of change. Currently, it is the processes of change that are defining U.S. responses to external conditions. Prevailing patterns of behavior and the consistent emergence of issues that challenge those prevailing patterns are the forces that define the parameters of state action.

The question of learning in foreign policy is directly related to how decision makers perceive the relationship between the continuities of action and the issues that challenge them. U.S. foreign-assistance policy has been reviewed with the objective of understanding how in the face

of challenges to established perceptions U.S. policy makers define basic foreign policy objectives. Our examination suggests that traditional standards for defining aid's objectives may no longer be productive. The geopolitical lenses of Cold War policy have worn out. But because by their nature states are in the business of geopolitics, viewing foreign assistance policy from an alternative perspective is an uncertain process. First and foremost, foreign assistance is part of U.S. foreign policy. The current difficulties in establishing a redefined purpose for assistance policy are connected to this condition. New demands in an increasingly interdependent world, an interdependence most pronounced in economic and social issues, have not dramatically overtaken the traditional U.S. internationalist position as did the post-World War II conditions that cemented it.²

Therefore, defining state priorities under conditions of uncertainty is constrained by the continuation of behavior patterns and the principles that underlie them and by the existence of a variety of issues whose relevance is not comprehensible from established perspectives. In understanding that foreign assistance can no longer be applied according to

² Perruci (1991: 317) argues that developing and developed states face the challenges resulting from "the meshing of power politics to the demands of an increasingly interdependent world economy." In his analysis of the constraints on Brazil's attempt to develop an independent arms industry, he contends that "[t]he new political economy of national security has become a function of the interrelation between geopolitics and global market relations."

the strictures of Cold War diplomacy, U.S. policy makers have only enacted part of the necessary process of learning in foreign policy. The ultimate evaluation that learning has taken place in foreign-policy making cannot be completed until it is apparent that U.S. goals are tied to a new perception of what is important and worth pursuing in foreign relations. Interdependence is not limited to those issues that states habitually have defined and acted on autonomously. Under conditions of interdependence, state interests are penetrated by private and transnational interests. This compounds attempts to develop unilateral strategies and it blurs the distinctions between state prerogatives and private responsibilities. Global conditions may be increasingly perceived as interrelated among state and private interests, but they are complex enough to defy salience to any single defining principle for state action.

The initiative to restructure the foreign assistance policy area around broadly defined objectives is constrained by the uncertain direction of system-defining issues. The argument that disseminating aid according to broad principles instead of particular country, economic, or political interests supports the desire of the executive to gain greater flexibility. In an era defined by uncertainties this flexibility would be advantageous for addressing unforeseen problems. However, using broad guidelines to define the purposes of development assistance would keep open their

application to the political process. Debate over different interpretations of what constitutes the proper application standards would ensue if the current uncertainties continue to define the condition and direction of U.S. foreign policy.

Ultimately, this study has examined U.S. foreign policy behavior in order to add to cumulative efforts to construct a comprehensive framework for foreign policy analysis. We have presented the case study of U.S. development-assistance policy as a way to gauge the behavior of the U.S. under changing conditions. Our analysis contends that analyzing foreign-policy behavior requires an approach that takes as its working principle the interdependence between theories about foreign policy behavior and theories about global politics. U.S. development assistance provides a fruitful object of study because it transcends the epochal shift in international relations and because it has been an integral component in the overall foreign policy of the United States. The timelessness of the debate about foreign aid's proper relation to foreign policy is apparent when reviewing Millikan's (1962: 91) position from over thirty years ago.

[F]oreign aid is not a goal of the United States nor even a separable element in our foreign policy, but rather a handy multipurpose instrument of that policy which we have been tempted to use in an increasingly wide variety of ways for an increasingly broad range of purposes. Attempts to specify a single doctrine of foreign aid are like attempts to construct a doctrine which will relate all the uses of a screwdriver to the ultimate objectives the user may have in mind before one has available a catalogue of all types of mechanical equipment and all kinds of malfunctioning of each.

Considering the complex mandate of assistance policy, the issue of policy change is obviously complex. This study has attempted to increase the understanding of foreign assistance policy, and through systematic analysis to enhance our understanding of the relationships among the multiple factors that affect the choices and outcomes in foreign policy.

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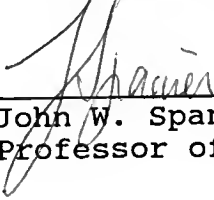
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BIOGRAPHICAL SKETCH

Richard A. Nolan was born in Louisville, Kentucky. He attended the University of Georgia, graduating in June, 1975, at which time he received the Bachelor of Arts degree in political science. Subsequently, he completed graduate studies at the University of Georgia and received the Master of Arts degree in political science in December 1981. After graduation he moved to Denver, Colorado, where he worked for the University of Colorado and pursued his passion for the sport of rugby. He married Kim Bernhard Nolan in February 1984. Their son Christopher was born the following November and their daughter Kelly arrived in December 1987.

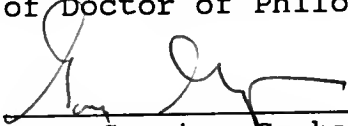
In 1985, he began his Ph.D. studies at the University of Florida where he studied international politics, comparative politics, and political behavior. In 1989, funded by an ICPSR fellowship, he attended the Summer Program on Quantitative Methods of the Inter-University Consortium for Political and Social Research in Ann Arbor, Michigan. In working toward the completion of a doctorate in political science, this dissertation combined his interest in quantitative methods with his interest in American foreign policy.

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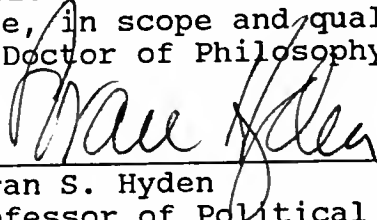
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Alan Agresti
Professor of Statistics

This dissertation was submitted to the Graduate Faculty of the Department of Political Science in the College of Liberal Arts and Sciences and to the Graduate School and was accepted as partial fulfillment of the requirements of the degree of Doctor of Philosophy.

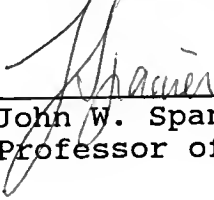
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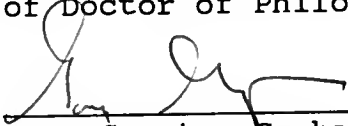


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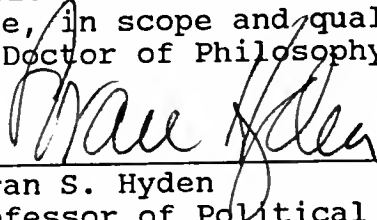
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